IMPORTANT NOTICE

THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE EITHER (A) PERSONS OR ADDRESSEES OUTSIDE OF THE UNITED STATES OR (B) QUALIFIED INSTITUTIONAL BUYERS ("QIBs") PURSUANT TO RULE 144A OF THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT").

IMPORTANT: **You must read the following before continuing**. The following applies to the offering memorandum following this page (the "Offering Memorandum"), and you are therefore advised to read this carefully before reading, accessing or making any other use of the Offering Memorandum. In accessing the Offering Memorandum, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY SECURITIES IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES REFERRED TO IN THE FOLLOWING OFFERING MEMORANDUM HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES.

THE FOLLOWING OFFERING MEMORANDUM MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY PERSON IN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

Section 309B(1) Notification — the Company has determined, and hereby notifies all persons (including all relevant persons (as defined in Section 309A(1) of the Securities and Futures Act, Chapter 289 of Singapore)) that the Notes are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

The following Offering Memorandum is not a prospectus for the purposes of the European Union's Directive 2003/71/EC (and any amendments thereto) as implemented in member states of the European Economic Area.

CONFIRMATION OF YOUR REPRESENTATION: IN ORDER TO BE ELIGIBLE TO VIEW THE OFFERING MEMORANDUM, INVESTORS MUST COMPLY WITH THE FOLLOWING PROVISIONS. YOU HAVE BEEN SENT THIS DOCUMENT AT YOUR REQUEST AND ON THE BASIS THAT YOU HAVE CONFIRMED TO CITIGROUP GLOBAL MARKETS INC., DEUTSCHE BANK AG, SINGAPORE BRANCH AND THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (TOGETHER, THE "INITIAL PURCHASERS") THAT YOU (1) EITHER ARE OUTSIDE THE UNITED STATES (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("REGULATION S")) OR YOU ARE A QIB PURSUANT TO RULE 144A OF THE SECURITIES ACT AND, TO THE EXTENT THAT YOU PURCHASE THE SECURITIES DESCRIBED IN THE FOLLOWING OFFERING MEMORANDUM, YOU WILL BE DOING SO EITHER IN AN OFFSHORE TRANSACTION (AS DEFINED IN REGULATION S) IN COMPLIANCE WITH REGULATION S OR PURSUANT TO RULE 144A OF THE SECURITIES ACT; AND (2) CONSENT TO DELIVERY OF THE FOLLOWING OFFERING MEMORANDUM AND ANY AMENDMENTS OR SUPPLEMENTS THERETO BY ELECTRONIC TRANSMISSION.

You are reminded that this Offering Memorandum has been delivered to you on the basis that you are a person into whose possession this Offering Memorandum may lawfully be delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorized to, deliver this Offering Memorandum to any other person. If this is not the case, you must return this Offering Memorandum to us immediately. You may not, nor are you authorized to, deliver or disclose the contents of this Offering Memorandum to any other person.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Initial Purchasers or any of their respective affiliates is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Initial Purchasers or such affiliate on behalf of GMR Hyderabad International Airport Limited (the "Company") in such jurisdiction.

The Offering Memorandum has been sent to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Company, the Initial Purchasers or any person who controls any of them or any of their respective commissioners, directors, officers, employees, agents or affiliates accepts any liability or responsibility whatsoever in respect of any discrepancies between the Offering Memorandum distributed to you in electronic format and the hard copy version available to you on request from the Initial Purchasers.

US$300,000,000

GMR Hyderabad International Airport Limited

(incorporated with limited liability under the laws of the Republic of India)

4.75% SENIOR SECURED NOTES DUE 2026

Issue price per note: 100.0%

The Issuer:

- We hold the exclusive right to operate, manage and develop Rajiv Gandhi International Airport in Hyderabad, India.

The Offering:

- **Notes Offered**: US$300,000,000 aggregate principal amount of 4.75% senior secured notes due 2026, which we refer to as the "Notes."
- **Use of Proceeds**: We will use the gross proceeds of this offering to fund certain capital expenditures. See "Use of Proceeds."

The Senior Secured Notes:

- **Maturity**: The Notes will mature on February 2, 2026.
- **Interest Payments**: The Notes will bear interest at a rate of 4.75% per annum. We will pay interest on the Notes semi-annually in cash in arrears on February 2 and August 2 of each year, beginning on August 2, 2021.
- **Guarantees**: The Notes initially will not be guaranteed by any of our subsidiaries, any of our joint ventures or any of our parent entities, nor will the Notes be guaranteed by the Government of India or any agency thereof.
- **Ranking**: The Notes will be our senior secured obligations and rank equally and ratably with all of our existing and future senior unsecured indebtedness. The Notes will be effectively subordinated to the liabilities of our subsidiaries.
- **Security**: The Notes will be secured by first-priority liens, subject to permitted liens, on certain of our assets, subject to certain exceptions pursuant to (i) an unattested Memorandum of Hypothecation and (ii) a Declaration and the Memorandum of Entry and Deposit of Title Deeds associated therewith on an equal and ratable basis with all obligations of the Company under the Company's US$350 million principal amount of 4.25% Senior Secured Notes due 2027 (the "2027 Notes"), the Company's US$300 million principal amount of 5.375% Senior Secured Notes due 2024 (the "2024 Notes", and together with the 2027 Notes, the "Existing Notes"), the Company's existing hedging arrangements and the Company's existing working capital facilities and all future Permitted Pari Passu Secured Indebtedness and Permitted Refinancing Indebtedness thereof.
- **Change of Control**: Upon the occurrence of a Change of Control Triggering Event (as defined herein), we must make an offer to repurchase all Notes outstanding at a purchase price equal to 101% of their principal amount, plus accrued and unpaid interest, if any, to the date of repurchase. Prior to any repurchase of the Notes, we will be required to obtain the written approval of the Reserve Bank of India (the "RBI") or the designated authorized dealer bank, in accordance with the ECB Guidelines to effect such repurchase, and such approval of the RBI may not be granted. See "Risk Factors—Risks Related to the Notes and the Collateral—We may not be able to repurchase the Notes upon a Change of Control Triggering Event or redeem the Notes upon Mandatory Redemption."

For a more detailed description of the Notes, see "Description of the Notes" beginning on page 266.

Investing in the Notes involves risks. See "Risk Factors" beginning on page 37.

There is currently no market for the Notes. Application will be made for the listing and quotation of the Notes on the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The SGX-ST assumes no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Approval in-principle for the listing and quotation of the Notes on the SGX-ST is not to be taken as an indication of the merits of the offering, the Company or associated companies or the Notes. The Notes will be traded on the SGX-ST in a minimum board lot size of US$200,000 for so long as the Notes are listed on the SGX-ST.

The Notes are expected to be rated "Ba2" by Moody's Investors Service Inc. ("Moody's") and "BB+" by Fitch Ratings Ltd. ("Fitch"). A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organization.

The Notes have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), any U.S. state securities laws or the securities laws of any other jurisdiction. The Notes are being offered or sold in the United States only to qualified institutional buyers ("QIBs") in accordance with Rule 144A under the Securities Act ("Rule 144A") and outside the U.S. in offshore transactions in accordance with Regulation S under the Securities Act ("Regulation S"). You are hereby notified that the Company may be relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A. For a description of these and certain further restrictions on offers and sales of the Notes and the distribution of this offering memorandum, see "Plan of Distribution" and "Transfer Restrictions."

The Notes will not be offered or sold, directly or indirectly, in India or to, or for the account or benefit of, any resident in India. This offering memorandum has not been and will not be approved or authorized by or filed with, and will not be registered, produced or published as a prospectus with the Registrar of Companies, the Securities Exchange Board of India, RBI, any Indian stock exchanges or any other statutory or regulatory authority in India, nor have the Initial Purchasers circulated or distributed, nor will they circulate or distribute, this offering memorandum or any material relating thereto, directly or indirectly, to the public or any members of the public in India.

The Notes sold within the United States to QIBs pursuant to Rule 144A under the Securities Act will be evidenced by a global note (the "144A Global Notes") in registered form. The Notes sold outside the United States pursuant to Regulation S under the Securities Act will be evidenced by a global note (the "Regulation S Global Notes" and together with the 144A Global Notes, the "Global Notes") in registered form. The Global Notes will be deposited with a custodian for, and registered in the name of, Cede & Co., as nominee of The Depository Trust Company ("DTC"). Beneficial interests in the Global Notes will be shown on, and transfers thereof will be effected only through, the records maintained by DTC and their respective accountholders.

The Notes will be ready for delivery in book-entry form only through the Depository Trust Company for the account of its participants, including Euroclear Bank SA/NV, as operator of the Euroclear System, and Clearstream Banking S.A., on or about February 2, 2021.

Joint Global Coordinators

Citi **HSBC**

Joint Bookrunners

Citi **Deutsche Bank** **HSBC**

The date of this offering memorandum is January 26, 2021

TABLE OF CONTENTS

	Page
Summary	1
Risk Factors	37
Use of Proceeds	91
Capitalization	92
Selected Financial and Other Data	93
Management's Discussion and Analysis of Financial Condition and Results of Operations	99
Industry	155
Business	162
Indian Regulatory Environment	216
Management	240
Principal Shareholders	247
Certain Related Party Transactions	249
Description of Material Indebtedness	252
Description of the Notes	266
Taxation	339
Plan of Distribution	345
Transfer Restrictions	350
Legal Matters	353
Independent Joint Auditors	354
Summary of Certain Differences Between Ind-AS and IFRS	355
General Information	363
Index to Financial Statements	F-1

This offering memorandum does not constitute an offer to sell to, or a solicitation of an offer to buy from, any person in any jurisdiction to whom it is unlawful to make the offer or solicitation in such jurisdiction. Neither the delivery of this offering memorandum nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in our affairs since the date of this offering memorandum or that the information contained in this offering memorandum is correct as of any time after that date.

Section 309B(1) Notification — the Company has determined, and hereby notifies all persons (including all relevant persons (as defined in Section 309A(1) of the Securities and Futures Act, Chapter 289 of Singapore)) that the Notes are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

MIFID II product governance/Professional investors and ECPs only target market — Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the securities has led to the conclusion that: (i) the target market for the securities is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "MiFID II"); and (ii) all channels for distribution of the securities to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the securities (a "distributor") should take into consideration the manufacturer's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the securities (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

UK MIFIR product governance / Professional investors and ECPs only target market — Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the securities has led to the conclusion that: (i) the target market for the securities is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("COBS"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("UK MiFIR"); and (ii) all channels for distribution of the securities to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the securities (a "distributor") should take into consideration the manufacturer's target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK MiFIR Product Governance Rules") is responsible for undertaking its own target market assessment in respect of the securities (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels. Prohibition of sales to EEA retail investors – The securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(11) of MiFID II; or (ii) a customer within the meaning of Directive 2016/97/EU (as amended, the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

Prohibition of sales to UK retail investors — The securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retain investor in the United Kingdom ("UK"). For these purposes, a retail investor means a person who is one (or more) of (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law

by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"); or (ii)a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

IN CONNECTION WITH THIS OFFERING, THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED ("THE STABILIZING MANAGER"), OR ANY PERSON ACTING FOR IT, MAY PURCHASE AND SELL THE NOTES IN THE OPEN MARKET. THESE TRANSACTIONS MAY, TO THE EXTENT PERMITTED BY APPLICABLE LAWS AND REGULATIONS, INCLUDE SHORT SALES, STABILIZING TRANSACTIONS AND PURCHASES TO COVER POSITIONS CREATED BY SHORT SALES. THESE ACTIVITIES MAY STABILIZE, MAINTAIN OR OTHERWISE AFFECT THE MARKET PRICE OF THE NOTES. AS A RESULT, THE PRICE OF THE NOTES MAY BE HIGHER THAN THE PRICE THAT OTHERWISE MIGHT EXIST IN THE OPEN MARKET. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILIZING MANAGER, OR ANY PERSON ACTING FOR IT, WILL UNDERTAKE ANY SUCH STABILIZATION ACTION. IF THESE ACTIVITIES ARE COMMENCED, THEY MAY BE DISCONTINUED AT ANY TIME AND MUST IN ANY EVENT BE BROUGHT TO AN END AFTER A LIMITED TIME. THESE ACTIVITIES WILL BE UNDERTAKEN SOLELY FOR THE ACCOUNT OF THE STABILIZING MANAGER AND NOT FOR OR ON OUR BEHALF.

NOTICE TO INVESTORS

You should rely only on the information contained in this offering memorandum. We have not, and Citigroup Global Markets Inc. ("Citi"), Deutsche Bank AG, Singapore Branch ("DB"), and The Hongkong and Shanghai Banking Corporation Limited ("HSBC," and together with Citi, and DB the "Initial Purchasers") authorized anyone to provide you with information that is different from that contained in this offering memorandum. If anyone provides you with different or inconsistent information, you should not rely on it. We are offering to sell, and seeking offers to buy, the Notes only in jurisdictions where offers and sales are permitted. The information contained in this offering memorandum is accurate only as of the date of this offering memorandum, regardless of the time of delivery of this offering memorandum or any sale of the Notes. Our business, financial condition, results of operations, cash flows and prospects may have changed since that date.

We confirm that (i) this offering memorandum contains all information with respect to us referred to in this offering memorandum and the Notes that is material in the context of the issue and offering of the Notes; (ii) the statements contained in this offering memorandum relating to us are in every material respect true and accurate and not misleading; (iii) the opinions and intentions expressed in this offering memorandum with regard to us are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions; (iv) there are no other facts in relation to us and the Notes, the omission of which would, in the context of the issue and offering of the Notes, make this offering memorandum, as a whole, misleading in any material respect; and (v) we have made all reasonable inquiries to ascertain such facts and to verify the accuracy of all such information and statements.

U.S. federal, state or foreign securities commissions or regulating authorities have not approved of, disapproved of or recommended the Notes being offered hereby, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Notes or the accuracy or adequacy of this offering memorandum. Any representation to the contrary is a criminal offense in the United States and may be a criminal offense in other jurisdictions.

This offering memorandum is highly confidential. This offering memorandum has been prepared by us solely for use in connection with the proposed offering of the Notes described in this offering memorandum.

This offering memorandum is personal to the offeree to whom it has been delivered and does not constitute an offer to any other person or to the public in general to subscribe for or otherwise acquire the Notes. We are providing it solely for the purpose of enabling you to consider a purchase of the Notes. You should read this offering memorandum before making a decision whether to purchase the Notes. You must not use this offering memorandum for any other purpose, or disclose any information in this offering memorandum to any other person.

You are responsible for making your own examination of us and your own assessment of the merits and risks of investing in the Notes. By purchasing the Notes, you will be deemed to have acknowledged that you have made certain acknowledgements, representations and agreements as set forth under "Transfer Restrictions."

The information contained in this offering memorandum has been provided by us and the other sources identified herein. No representation or warranty, express or implied, is made by the Initial Purchasers, HSBC Bank USA, National Association (the "Trustee"), HSBC Bank USA, National Association (the "Principal Paying Agent" and the "Registrar," together, the "Agents") or any of their affiliates or advisors as to the accuracy, completeness or sufficiency of the information set forth herein, and nothing contained in this offering memorandum is, or shall be relied upon as, a promise, representation or warranty. To the fullest extent permitted by law, none of the Initial Purchasers, the Trustee, the Agents nor any of their respective affiliates, directors or employees accept any responsibility for the contents of this offering memorandum or for any other statement in connection with the issue and offering of the Notes made or purported to be made by the Initial Purchasers, the Trustee or the Agents or on their behalf. The Initial Purchasers, the Trustee and the Agents accordingly disclaim all and any liability whether arising in tort or contract or otherwise (save as referred to above) which they might otherwise have in respect of this offering memorandum or any such statement.

Each person receiving this offering memorandum acknowledges that: (i) such person has been afforded an opportunity to request from us and to review, and has received, all additional information considered by it to be necessary to verify the accuracy of, or to supplement, the information contained herein; (ii) such person has not relied on the Initial Purchasers or any person affiliated with the Initial Purchasers in connection with any investigation of the accuracy of such information or its investment decision; and (iii) no person has been authorized to give any information or to make any representation concerning us, our affiliates or the Notes (other than as contained herein) and, if given or made, any such other information or representation should not be relied upon as having been authorized by us or the Initial Purchasers.

Neither the delivery of this offering memorandum nor any offering, sale or delivery made in connection with the issue of the Notes shall, under any circumstances, constitute a representation that there has been no change or development reasonably likely to involve a change in our affairs since the date hereof or create any implication that the information contained herein is correct as of any date subsequent to the date hereof.

We are not, and the Initial Purchasers are not, making an offer to sell the Notes in any jurisdiction except where an offer or sale is permitted. The distribution of this offering memorandum and the offering of the Notes may in certain jurisdictions be restricted by law. Persons into whose possession this offering memorandum comes are required by us and the Initial Purchasers to inform themselves about and to observe any such restrictions. Each purchaser of the Notes must comply with all applicable laws and regulations in force in each jurisdiction in which it purchases, offers or sells such Notes or possesses or distributes this offering memorandum and must obtain any consent, approval or permission required by it for the purchase, offer or sale by it of such Notes under the laws and regulations in force in any jurisdictions to which it is subject or in which it makes such purchases, offers or sales. None of us or the Initial Purchasers shall have any responsibility therefor.

For a description of the restrictions on offers, sales and resales of the Notes and distribution of this offering memorandum, see "Transfer Restrictions" and "Plan of Distribution."

In making an investment decision, you must rely on your own examination of us and the terms of the offering, including the merits and risks involved. We are not making any representation to you regarding the legality of an investment in the Notes by you under any legal, investment or similar laws or regulations. You should not consider any information in this offering memorandum to be legal, business or tax advice. You should consult your own attorney, business adviser and tax adviser for legal, business and tax advice regarding an investment in the Notes.

We reserve the right to withdraw the offering of the Notes at any time, and the Initial Purchasers reserve the right to reject any commitment to subscribe for the Notes in whole or in part and to allot to any prospective purchaser less than the full amount of the Notes sought by such purchaser. The Initial Purchasers and certain related entities may acquire for their own account a portion of the Notes.

In accordance with applicable provisions of Indian regulations, only (i) non-individual residents of a country which is a FATF Compliant Country (as defined in this Offering Memorandum) or an IOSCO Compliant Country (as defined in this Offering Memorandum); (ii) multilateral and regional financial institutions where India is a member country; (iii) individuals who are from a FATF Compliant Country or an IOSCO Compliant Country if they are foreign equity holders or the Notes are listed outside India; or (iv) foreign branches or subsidiaries of Indian banks, can subscribe to the Notes.

The Offering Memorandum has not been and will not be registered, produced, published or made available to all as an offer document (whether as a prospectus in respect of a public offer or an information memorandum or private placement offer letter or other offering material in respect of any private placement under the Companies Act, 2013 and the rules framed thereunder or any other applicable Indian laws) with the Registrar of Companies of India ("RoC"), Reserve Bank India ("RBI") or the Securities and Exchange Board of India ("SEBI"), any Indian stock exchanges or any other statutory or regulatory body of like nature in India, save and except for any information from any part of the Offering Memorandum which is mandatorily required to be disclosed or filed in India under any applicable Indian laws, guidelines or regulations, for the time being in force, including, but not limited to, the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015 and under the listing agreement with any Indian stock exchange pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, each as amended, supplemented or re-enacted and the rules framed thereunder or pursuant to the sanction of any regulatory and adjudicatory body in India.

In addition, holders and beneficial owners shall be responsible for compliance with the restrictions on the ownership of the Notes imposed from time to time by applicable laws or by any regulatory authority or otherwise. In this context, holders and beneficial owners of the Notes shall be deemed to have acknowledged, represented and agreed that such holders and beneficial owners are eligible to purchase the Notes under applicable laws and regulations and are not prohibited under any applicable law or regulation from acquiring, owning or selling the Notes. Potential investors should seek independent advice and verify that they are a residents of a country which is a FATF Compliant Country or an IOSCO Compliant Country (as defined in the Offering Memorandum) prior to any purchase of the Notes.

PRESENTATION OF FINANCIAL INFORMATION

Financial Data

Our fiscal year ends on March 31. Accordingly, references in this offering memorandum to a particular fiscal year are to the year ended March 31 of that year. References to a year other than a "fiscal year" are to the calendar year ended December 31 of that year.

We are required to prepare our consolidated financial statements under Indian accounting standards notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind-AS") and applicable to the Company with effect from April 1, 2016. Accordingly, we have prepared our consolidated financial statements for the years ended March 31, 2020 ("2020 Audited Consolidated Financial Statements"), March 2019 ("2019 Audited Consolidated Financial Statements") and March 31, 2018 ("2018 Audited Consolidated Financial Statements") under Ind-AS. All of these financial statements and their joint auditors' reports thereon are included elsewhere in this offering memorandum.

We have prepared our interim condensed consolidated financial statements for the six months ended September 30, 2020 ("Unaudited Interim Consolidated Financial Statements") under Ind-AS, which includes financial information for the six months ended September 30, 2019 under Ind-AS for inclusion as comparative period data. The Unaudited Interim Consolidated Financial Statements are included elsewhere in the offering memorandum along with the review report of the joint auditors thereon.

S. R. Batliboi & Associates LLP and K. S. Rao & Co., independent auditors, have jointly audited the 2018 Audited Consolidated Financial Statements and the 2019 Audited Consolidated Financial Statements.

Walker Chandiok & Co LLP and K. S. Rao & Co., independent auditors, have jointly audited the 2020 Audited Consolidated Financial Statements and have jointly reviewed our Unaudited Interim Consolidated Financial Statements.

The joint audit reports with respect to our 2019 Audited Consolidated Financial Statements and our 2018 Audited Consolidated Financial Statements were each qualified by the respective independent joint auditors on their inability to comment on the carrying value of the goodwill arising on the additional investment made by the Company in GMR Air Cargo and Aerospace Engineering Limited ("GACAEL"). However, that qualification was not included in the joint audit report with respect to our 2020 Audited Consolidated Financial Statements on account of the valuation ascribed to the business in connection with the investment in GMR Airports Limited, our parent, by Groupe ADP. See "Principal Shareholders." In addition, the joint audit reports with respect to the adequacy and the operating effectiveness of the internal financial controls over the financial reporting of the Group for the years ended March 31, 2019 and 2018 were qualified to indicate material weakness in the operating effectiveness of controls relating to such assessment of the carrying amount of goodwill. Each of the audit reports and the joint review report with respect to our Unaudited Interim Consolidated Financial Statements also include an emphasis of matter on the adjustment of costs related to residential quarters for Central Industry Security Force against the PSF (SC) Fund, which is pending the final decision of the Honorable High Court of Hyderabad and consequential instructions from Ministry of Civil Aviation. The joint audit report with respect to our 2020 Audited Consolidated Financial Statement and the joint review report with respect to our Unaudited Interim Consolidated Financial Statements also include an emphasis of matter on the estimation of uncertainties relating to COVID-19, the unprecedented nature of which makes the future business environment uncertain. The joint review report with respect to our Unaudited Interim Consolidated Financial Statements also includes an emphasis of matter on the uncertainty relating to recoverability of the upfront fee of Rs. 63.00 crores paid to the Yes Bank Limited ("the Bank") regarding a facility of Rs. 4,200.00 crores entered into in 2019. In view of certain developments, the Bank has expressed their inability to extend the said loan, and accordingly the arrangement was terminated on April 21, 2020.

See "Risk Factors—Risks Related to our Business—The joint review and audit reports from our independent joint auditors in respect of our consolidated financial statements contain certain qualification(s) and/or emphasis of matters" for further details.

Unless otherwise stated or unless context requires otherwise, except as stated below, the financial information presented with respect to the six month periods ended September 30, 2020 and 2019 and the fiscal years ended March 31, 2020, 2019 and 2018 has been derived from the respective financial statements, prepared and presented under Ind-AS on a consolidated basis, which are included elsewhere in this offering memorandum.

Total revenue as presented in this offering memorandum for the six months ended September 30, 2020 and 2019 and the fiscal years ended March 31, 2020, 2019 and 2018 represents the aggregate of (i) revenue from contracts with customers and (ii) other income (including finance income). For the fiscal years ended March 31, 2019 and 2018, finance income was disclosed separately in the audited consolidated financial statements and has been grouped with other income in this offering memorandum to maintain consistency with the disclosures of the fiscal year March 31, 2020.

In order to align the classification of major revenue streams as per the tariff set under the 2020 AERA Order, we reclassified the revenue streams accruing to fuel farm, ground handling and cargo handling services under the aeronautical revenue during fiscal year 2020. These revenue streams prior to fiscal year 2020 were classified as non-aeronautical revenue under the audited financial statements. For the purpose of comparability across all periods, in this offering memorandum we have presented revenues from fuel farm, ground handling and cargo handling services pertaining to fiscal year 2019 and fiscal year 2018 under aeronautical revenues. See "Management's Discussion and Analysis of Financial Position and Results of Operations—Components of our income and expenditure—revenue."

We have adopted Ind-AS 116—Leases ("Ind-AS 116"). Ind-AS 116 is applicable to us for the fiscal year beginning April 1, 2019 and it replaces the existing standard Ind-AS 17—Leases covering accounting for leases. On application of this standard, we have adopted a single recognition and measurement approach for all leases using a "right of use" model, resulting in the creation of a liability for the present value of our future lease obligations with a corresponding "right to use" asset. In the statement of profit or loss, we would recognize an amortization of such right to use asset as depreciation expense and interest expense on lease liability is recognized. Accordingly, our financial statements prepared for periods beginning on or after April 1, 2019, may not be comparable to our financial statements and financial information included in this offering memorandum for prior periods since modified retrospective method was adopted on application of Ind-AS 116 effective April 1, 2019.

The financial information in our financial statements as at and for the six months ended September 30, 2020 and as at and for the fiscal years ended March 31, 2020, 2019 and 2018 included elsewhere in this offering memorandum is, unless otherwise stated therein, presented in Indian Rupees in crores, whereas in the rest of this offering memorandum, financial information is presented in millions of Rupees. One crore is equal to ten million.

References in this offering memorandum to "standalone" in the context of GHIAL financial information are to the financial information of GHIAL on an unconsolidated basis.

Non-GAAP Financial Measures

For the purpose of this offering memorandum, we have presented earnings before interest (including certain items in the nature of finance income), tax expense, depreciation and amortization and share of profit in joint

ventures ("Adjusted EBITDA") and related ratios, which are supplemental measures of our performance and liquidity, and although Adjusted EBITDA is a widely used financial indicator of a company's ability to service and incur debt, we caution you that Adjusted EBITDA should not be considered in isolation or construed as an alternative to cash flows, net income or any other measure of financial performance or as an indicator of our operating performance, liquidity profitability or cash flows generated by operating activities. See "Summary Financial and Other Data" and "Selected Financial and Other Data" for a reconciliation of profit/loss for the year/ period to Adjusted EBITDA.

We have also presented Total Indebtedness and Net Indebtedness in this offering memorandum, none of which are standard measures under Ind-AS. References in this offering memorandum to "Total Indebtedness" are to our total indebtedness as calculated in footnote 4, and references to "Net Indebtedness" are to our net indebtedness as calculated in footnote 5, under "Summary—Summary Financial and Other Data" and "Selected Financial and Other Data." We have included these non-GAAP financial measures because we believe they are a useful supplement to measure our performance and our ability to generate cash flow from operations to cover debt service. Nevertheless, these non-GAAP financial measures have limitations as analytical tools, and you should not consider them in isolation from, or as a substitute for, analysis of our financial condition, cash flows or results of operations, as reported under Ind-AS. Because of these limitations, all non-GAAP financial measures included in this offering memorandum should not be considered as a measure of discretionary cash available to us to invest in the growth of our business.

You should also note that Adjusted EBITDA as presented in this offering memorandum is calculated differently from Consolidated EBITDA as defined and used in the indenture governing the Notes. See "Description of the Notes" for a description of the manner in which Consolidated EBITDA is defined for purposes of the indenture governing the Notes.

Rounding

Certain financial information in this offering memorandum has been rounded for convenience and, as a result, the totals of the data presented in this offering memorandum may vary slightly from the actual arithmetic totals of such information.

Currency Translations

Unless otherwise stated, all translations in this offering memorandum from Indian Rupees to United States dollars have been made on the basis of the Rs. to US$ closing exchange rate as at September 30, 2020 of Rs. 73.798 = US$1.00. All amounts translated into United States dollars as described above are provided solely for the convenience of the reader, and no representation is made that the Indian Rupee or the United States dollar amounts referred to herein could have been or could be converted into any other currency, at any particular rate, the above rate or at all.

MARKET AND INDUSTRY DATA

This offering memorandum contains estimates and projections regarding market and industry data that were obtained from third-party sources, such as market research, consultant surveys, publicly available information, industry publications and surveys, as well as internal company surveys. We believe the information provided or made available by these third-party sources is generally reliable. However, market and industry data is subject to change and cannot always be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey, interpretation or presentation of market and industry data and management's estimates and projections. In addition, the outcomes of projections are not guaranteed. As a result, you should be aware that

market and industry data set forth herein, and estimates, projections and beliefs (i) based on such data and (ii) relating to certain financial and performance metrics presented herein, may not be reliable. See "Risk Factors—Risks Related to India—We cannot guarantee the accuracy of statistical and other information with respect to India, the Indian economy or the airport industry contained in this offering memorandum." Neither we nor the Initial Purchasers have independently verified any of the data from third-party sources nor have we or the Initial Purchasers ascertained the underlying economic assumptions relied upon therein, and neither we nor the Initial Purchasers can guarantee its accuracy or completeness. Similarly, internal company surveys, which we believe to be reliable, are based upon management's knowledge of the industry as at the date of such surveys and have not been verified by any independent sources. Accordingly, neither we nor the Initial Purchasers can guarantee the accuracy or completeness of any such information, and you should not place undue reliance on such information when making your investment decision.

This offering memorandum includes industry data and forecasts that we have obtained from industry publications and surveys, reports of governmental agencies, publicly available corporate information and internal company surveys, as well as from industry reports prepared by CRISIL Research. No representation or warranty, express or implied, is made by CRISIL Research as to the accuracy or completeness of the information set forth in this offering memorandum, and nothing contained in this offering memorandum shall be relied upon as a promise or representation, whether as to the past or future. CRISIL Research, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing the report ("Report") from which information has been extracted for inclusion in this offering memorandum based on the Information obtained by CRISIL from sources which it considers reliable ("Data"). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data/Report and is not responsible for any errors or omissions or for the results obtained from the use of Data/Report. The Report is not a recommendation to invest or disinvest in any entity nor may be construed as expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL especially states that it has no liability whatsoever to the subscribers, users, transmitters or distributors of this offering memorandum. Without limiting the generality of the foregoing, nothing in this offering memorandum or the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. GMR Hyderabad International Airport Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL Research operates independently of, and does not have access to information obtained by, CRISIL's Ratings Division / CRISIL Risk and Infrastructure Solutions Ltd ("CRIS"), which may, in their regular operations, obtain information of a confidential nature. The views expressed in the Report are that of CRISIL Research and not of CRISIL's Ratings Division / CRIS. No part of the Report may be published or reproduced in any form without CRISIL's prior written approval. Industry publications and surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of the information. While reasonable actions have been taken by us to ensure that the information is extracted accurately and in its proper context, neither we nor the Initial Purchasers have independently verified any of the data from third party sources or ascertained the underlying economic assumptions relied upon therein.

BIFURCATION OF THE STATE OF ANDHRA PRADESH

The Andhra Pradesh Reorganisation Act (the "APRA") was enacted in 2014, which divided the state of Andhra Pradesh into the state of Telangana and the residuary state of Andhra Pradesh. The APRA defined the boundaries of the two states and laid down Hyderabad as the permanent capital of the new state of Telangana and the temporary capital of Andhra Pradesh. Pursuant to this division of Andhra Pradesh, GMR Hyderabad International Airport Limited and the Rajiv Gandhi International Airport now fall under the jurisdiction of Hyderabad in the state of Telangana. Furthermore, the state of Telangana has now succeeded the state of Andhra Pradesh as a party to certain agreements we originally entered into with the State of Andhra Pradesh in connection with our Concession and the Airport.

FORWARD-LOOKING STATEMENTS

This offering memorandum contains "forward-looking statements" that relate to future events, which are, by their nature, subject to significant risks and uncertainties. Forward-looking statements include all statements that do not relate solely to historical or current facts, and you can identify forward-looking statements because they contain words such as "believes," "expects," "may," "will," "should," "seeks," "intends," "plans," "estimates," "projects" or "anticipates" or similar expressions that concern our strategy, plans or intentions. All statements other than statements of historical or current facts contained in this offering memorandum, including, without limitation, those regarding our future financial position, cash flows and results of operations, strategy, plans, objectives, goals, targets, and future developments in the markets where we participate or are seeking to participate, are forward-looking statements. These forward-looking statements are subject to risks and uncertainties that may change at any time, and, therefore, our actual results may differ materially from those expected. We derive many of our forward-looking statements from our operating budgets and forecasts, which are based upon many detailed assumptions. While we believe our assumptions are reasonable, it is very difficult to predict the impact of known factors, and, of course, it is impossible to anticipate all factors that could affect our actual results.

Some of the important factors that could cause actual results to differ materially from our expectations are disclosed under "Risk Factors" and elsewhere in this offering memorandum, including, without limitation, in conjunction with the forward-looking statements included in this offering memorandum. All subsequent forward-looking statements attributable to us, or persons acting on our behalf, are expressly qualified in their entirety by these cautionary statements.

While we may elect to update forward-looking statements in the future, we specifically disclaim any obligation to do so, even if our estimates change, and you should not rely on those forward-looking statements as representing our views as at any date subsequent to the date of this offering memorandum.

ENFORCEMENT OF CIVIL LIABILITIES

We are a public company incorporated under the laws of India. Most of our directors and other senior management named herein are residents of India and all of our assets and all or a substantial portion of the assets of such persons, are located in India. As a result, it may not be possible for you to effect service of process on us or such persons in jurisdictions outside India, or to enforce against them judgments obtained in courts outside of India predicated upon our civil liabilities or of such directors and executive officers under laws other than the laws of India, including judgments predicated upon the civil liability provisions of the federal securities laws of the United States.

Section 44A of the Indian Code of Civil Procedure, 1908, as amended (the "Civil Procedure Code"), provides that where a foreign judgment has been rendered by a superior court in any country or territory outside of India which the Government of India has declared to be a reciprocating territory, such foreign judgment may be enforced in India by proceedings in execution as if the judgment had been rendered by an appropriate court in India. However, the enforceability of such judgments is subject to the exceptions set forth in Section 13 of the Civil Procedure Code. This section, which is the statutory basis for the recognition of foreign judgments, states that a foreign judgment is conclusive as to any matter directly adjudicated upon between the same parties or between parties under which they or any of them claim litigating under the same title except:

- where the judgment has not been pronounced by a court of competent jurisdiction;
- where the judgment has not been given on the merits of the case;
- where the judgment appears on the face of the proceedings to be founded on an incorrect view of international law or refusal to recognize the law of India in cases where such law is applicable;
- where the proceedings in which the judgment was obtained are opposed to natural justice;
- where the judgment has been obtained by fraud; or
- where the judgment sustains a claim founded on a breach of any law in force in India.

Section 44A of the Civil Procedure Code is applicable only to decrees or judgments under which a sum of money is payable not being in the nature of amounts payable in respect of taxes or other charges of a similar nature or in respect of fines or other penalties and does not include arbitration awards. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India. Furthermore, it is unlikely that an Indian court would enforce a foreign judgment if it viewed the amount of damages awarded as excessive or inconsistent with public policy or practice in India.

Under the Civil Procedure Code, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. However, the statutory basis for recognition and enforcement of foreign judgments is provided for under Sections 13, 14 and 44A of the Civil Procedure Code. A foreign judgment which is conclusive under Section 13 of the Civil Procedure Code may be enforced either by a fresh suit upon the judgment or by proceedings in execution. Under Section 14 of the Civil Procedure Code, an Indian court shall, on production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction unless the contrary appears on the record; such presumption may be displaced by proving want of jurisdiction.

If a judgment of a foreign court is not enforceable under Section 44A of the Civil Procedure Code as described above, it may be enforced in India only by a suit filed upon the judgment, subject to Section 13 of the Civil Procedure Code, and not by proceedings in execution. The United Kingdom, Singapore, Hong Kong and United Arab Emirates (among others) have been declared by the Government of India to be reciprocating territories for the purposes of Section 44A of the Civil Procedure Code. However, the United States has not been declared by the Government of India to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code. Accordingly, a judgment of a court in the United States may be enforced only by filing a fresh suit on the basis of the judgment and not by proceedings in execution.

The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. It is difficult to predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to delay.

A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the RBI under the Foreign Exchange Management Act, 1999, as amended ("FEMA"), to execute such a judgment and repatriate any amount recovered pursuant to such enforcement, and such amount may be subject to income tax in accordance with applicable laws. Any judgment in a foreign currency would be converted into Indian Rupees on the date of judgment and not on the date of payment, which could also increase risks relating to foreign exchange.

CERTAIN DEFINITIONS

In this offering memorandum, except where otherwise indicated or where the context otherwise requires, references to:

- "2027 Notes" are to the US$350 million Senior Secured Notes due 2027 issued by the Company on October 27, 2017;
- "2027 Notes Indenture" are to the indenture dated October 27, 2017, pursuant to which the 2027 Notes were issued;
- "2024 Notes" are to the US$300 million Senior Secured Notes due 2024 issued by the Company on April 10, 2019;
- "2024 Notes Indenture" are to the indenture dated April 10, 2019, pursuant to which the 2024 Notes were issued;
- "the 2014 AERA Order" are to the order passed by AERA on February 24, 2014 which, among others, resulted in the discontinuation of our user development fee and passenger service fee (facilitation component), which were later restored;
- "the 2020 AERA Order" are to the order passed by AERA on March 27, 2020 which became effective from April 1, 2020, and as further amended on May 26, 2020, which set our aeronautical charges for the second control period;
- "AAI" are to the Airports Authority of India, an Indian government authority established under the Airports Authority of India Act 1994;
- "AERA" are to The Airports Economic Regulatory Authority of India, an independent regulator established by the Government of India;
- "the Airport" or "our Airport" are to Rajiv Gandhi International Airport located on the land leased to us from the State Government pursuant to the Land Lease Agreement;
- "Airport Opening Date" are to March 23, 2008;
- "ATMs" are to air traffic movements, which are all aircraft arrivals and departures to and from an airport;
- "Aviation Policy 2016" are to the National Civil Aviation Policy issued by the Government of India on June 15, 2016 introducing various measures aimed at promoting the growth of the Indian civil aviation sector;
- "the Concession" or "our Concession" are to our rights to carry out the development, design, financing, construction, commissioning, maintenance, operation and management of the Airport as provided in the Concession Agreement, the SSA, the Land Lease Agreement and other related agreements;
- "CNS/ATM Agreement" are to the Agreement for the Provision of Communication, Navigation and Surveillance and Air Traffic Management Facilities and Services dated August 11, 2015 between AAI and the Company;

- "Concession Agreement" are to the concession agreement for the development, construction, operation and maintenance of the Airport dated December 20, 2004 between MoCA and the Company;

- "Current Expansion" are to the Phase 1B Expansion and the Phase 1C Expansion;

- "DGCA" are to the Directorate General of Civil Aviation of India;

- "ECB Guidelines" are to the Foreign Exchange Management (Borrowing or Lending in Foreign Exchange) Regulations, 2018 read together with the Master Direction on External Commercial Borrowings, Trade Credits and Structured Obligations dated March 26, 2019 issued by the RBI, as amended, modified or replaced from time to time by any rules, regulations, notifications, circulars, press notes or orders issued by the RBI or another Indian governmental agency in relation to external commercial borrowings;

- "Existing Notes" are to the 2027 Notes and the 2024 Notes;

- "FATF Compliant Country" are to a country that is a member of the Financial Action Task Force ("FATF") or a member of a FATF-style regional body, and should not be a country identified in the public statement of the FATF as: (a) a jurisdiction having a strategic anti-money laundering or combating the financing of terrorism deficiencies to which counter measures apply; or (b) a jurisdiction that has not made sufficient progress in addressing the deficiencies or has not committed to an action plan developed with the FATF to address the deficiencies;

- "GMR Group" are to GMR Infrastructure Limited and its subsidiaries;

- "GoI" and "Government of India" are to the central government of the Republic of India;

- "IATA" are to the International Air Transport Association;

- "IBEF" are to the India Brand Equity Foundation;

- "Ind-AS" are to Indian accounting standards notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended with effect from April 1, 2016 and applicable to the Company;

- "Indian Rupees," "Rupees" and "Rs." are to Indian Rupees;

- "Initial Purchasers" are to Citigroup Global Markets Inc., Deutsche Bank AG, Singapore Branch and The Hongkong and Shanghai Banking Corporation Limited;

- "IOSCO Compliant Country" are to a country whose securities market regulator is a signatory to the International Organisation of Securities Commission's ("IOSCO") Multilateral Memorandum of Understanding (Appendix A Signatories) or a signatory to bilateral Memorandum of Understanding with the Securities and Exchange Board of India ("SEBI") for information sharing arrangements;

- "Joint Global Coordinators" are to Citigroup Global Markets Inc. and The Hongkong and Shanghai Banking Corporation Limited;

- "Land Lease Agreement" are to the land lease agreement relating to the land on which the Airport is located dated September 30, 2003 between the State Government as the lessor and the Company as the lessee;

- "Master Plan" are to the master plan for the long-term development of the Airport that we prepared and update in accordance with the Concession Agreement;

- "MoCA" are to the Ministry of Civil Aviation, GoI;

- "MRO" are to maintenance, repair and overhaul, which services that we, through our wholly-owned subsidiary, provide to air carriers at the Airport;

- "peak hour movements" are to the maximum permissible ATMs per hour at a particular runway and is a measure of runway capacity;

- "Phase 1B Expansion" are to the current phase of development of the Airport (in conjunction with part of the Phase 1C Expansion) under the Master Plan;

- "Phase 1C Expansion" are to the next phase of development of the Airport under the Master Plan after the Phase 1B Expansion, which is already currently in development in conjunction with the Phase 1B Expansion;

- "Regional Connectivity Scheme" are to the scheme under the Aviation Policy 2016 which envisages to enhance regional connectivity through fiscal support and infrastructure development;

- "RITES" are to a consultant appointed by AERA to review the capital expenditure plan pertaining to Current Expansion;

- "Sale Deed" are to the sale deed dated June 16, 2015 executed between Boyance Infrastructure Private Limited and GMR Hyderabad International Airport Limited bearing registered document number 12927 of 2015 and registered with District Sub Registrar, Ranga Reddy District, pursuant to which the Company a portion of land measuring 8.824 acres, including the buildings and other structures built thereon;

- "SHA" are to the Shareholders Agreement dated September 30, 2003 between the State Government, AAI, GMR Infrastructure Limited, Malaysia Airports Holding Berhad and the Company;

- "SSA" are to the State Support Agreement dated September 30, 2003 between the State Government and the Company;

- "Stabilizing Manager" are to HSBC;

- "State Government" are to, prior to notification of the provisions of Andhra Pradesh Reorganisation Act, 2014, the State Government of Andhra Pradesh, and, subsequently thereto, the Government of Telangana State, as the context requires;

- "Vande Bharat Mission" are to the repatriation initiative by MoCA facilitate Indian citizens returning from abroad during the COVID-19 pandemic; and

- "we," "us," "our," "GHIAL," "our Company," "the Company," "the Group" or words of similar import are to GMR Hyderabad International Airport Limited, or to GMR Hyderabad International Airport Limited and its subsidiaries and joint ventures on a consolidated basis.

SUMMARY

This summary highlights information contained elsewhere in this offering memorandum but does not contain all the information that may be important to you. Before making an investment decision, you should read this entire offering memorandum. This summary is qualified by, and must be read in conjunction with, the more detailed information appearing elsewhere in this offering memorandum. You should also carefully consider the information set forth under the headings "Presentation of Financial Information," "Risk Factors," "Business," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the financial statements and accompanying notes thereto appearing elsewhere in this offering memorandum.

INTRODUCTION

We hold the exclusive right to operate, manage and develop Rajiv Gandhi International Airport (the "Airport")—one of the busiest airports in India in terms of passenger traffic, ranking sixth for fiscal year 2020 and fourth for the six months ended September 30, 2020, according to data compiled by the Airports Authority of India ("AAI"). Our core activities include the development, management, maintenance and operation of the Airport and the management of commercial and other activities conducted at the Airport, including commercial property development and the provision of maintenance, repair and overhaul ("MRO") services to air carriers, and we also own the five-star rated Novotel Hyderabad Airport Hotel located in the vicinity of the Airport. The Airport serves Hyderabad, which is the fourth most populous city in India and currently the joint capital of Telangana and Andhra Pradesh, making it the regional hub while the new capital of Andhra Pradesh is under construction. The Airport is strategically located in central India, with the majority of India's territory reachable within two hours' flight time and the major population centers of the Middle East, Central and Southeast Asia reachable within five hours' flight time. In fiscal year 2020, the Airport served 26 airlines operating connections to 70 destinations, comprising 16 international destinations and 54 domestic destinations. As at September 30, 2020, the Airport served 16 airlines operating connections to 57 destinations, comprising 6 international destinations (operated through flight bubble arrangements) and 51 scheduled domestic destinations. Prior to the COVID-19 pandemic, the Airport was one of the fastest growing non-metro airports in India with air passenger traffic having grown at a compound annual growth rate ("CAGR") of 12.0% between fiscal year 2009 and fiscal year 2020, according to AAI.

The Airport's operations have been significantly impacted by the COVID-19 pandemic. Civil aviation in India was suspended by the Government on March 23, 2020, and the Government of India also imposed a country-wide lockdown from March 25, 2020, which extended until September 30, 2020 (with certain limited exceptions) to contain the spread of COVID-19. Restrictions on domestic flight operations were partially lifted from May 25, 2020, and domestic passenger traffic has been gradually returning in line with a phased increase in flight activity in accordance with directives from the Government of India. We had domestic passenger traffic of 0.2 million for the three months ended June 30, 2020, which increased to 1.6 million for the three months ended September 30, 2020. However, international passenger traffic has yet to meaningfully resume due to cross border travel restrictions. Currently, only Vande Bharat Mission flights and flights under flight bubble arrangements are operating on international routes with limited frequency. Vande Bharat Mission flights have no fixed schedule and are special one-off flights arranged by the Government to facilitate Indian citizens returning from abroad during the COVID-19 pandemic. Flight bubble arrangements are bilateral agreements between India and other countries to allow a certain mutually agreed number of scheduled flights to operate between the countries. As of September 30, 2020, flight bubble arrangements were in place between India and Afghanistan, Bahrain, Bhutan, Canada, France, Germany, Iraq, Japan, Kenya, the Maldives, Nigeria, Qatar, the UAE, the UK and the USA. We believe that passenger traffic at the Airport will not fully recover until the widespread administration of effective vaccines is completed and health care facilities to combat COVID-19 are improved to allay the concerns of air travellers. CRISIL Research expects passenger traffic to grow at the Airport at a CAGR of 5.0% to 6.0% from

fiscal year 2020 to fiscal year 2025 and reach 27.0 to 28.0 million in fiscal year 2025, with domestic traffic expected to outperform international traffic. Total cargo traffic at the Airport for the six months ended September 30, 2020 was 45,809 metric tons compared to 72,806 metric tons for the same period in 2019, representing a decrease of 37.1%. Historically, approximately 50% of our cargo volumes was carried on passenger planes. We believe that cargo volume recovery will be relatively faster than passenger traffic recovery. CRISIL Research expects cargo traffic to grow at a CAGR of 6.0% to 7.0% from fiscal year 2020 to 2025 and reach 201,000 metric tons by fiscal year 2025. The reduced aviation traffic due to COVID-19 has also affected our non-aeronautical operations, including, among others, duty free and retail operations, food and beverages, land and space rentals, and others. See "—Recent Developments—COVID-19 Outbreak" and "Risk Factors—Risks Related to Our Business—Any outbreaks of contagious diseases such as the recent outbreak of COVID-19 may have a material adverse effect on our business operations, financial condition and results of operations."

Located at Shamshabad, Hyderabad between National Highway 7 ("NH7") and Srisailam Highway, the Airport is connected to parts of South-central India by NH7 and Srisailam Highway and to Hyderabad city by the Outer Ring Road, an eight-lane expressway encircling the entire city, and by the PV Narasimha Rao elevated road to the city center. The government has also announced plans to connect the Airport to the city through the multi-modal transport system ("MMTS"), suburban rail link and Hyderabad metro rail. Pursuant to the Concession Agreement, no new or existing airport is permitted to be developed as, or improved or upgraded into, an international or a domestic airport within an aerial distance of 150 km of the Airport before March 23, 2033 (the 25th anniversary of the Airport Opening Date). See "Industry" for additional information about the aviation sector in India. See "Risk Factors—Risks Related to our Business—The Government of India could grant new concessions that compete with the Airport."

GHIAL was incorporated on December 17, 2002 following a competitive bidding process in which a consortium, led by the GMR Group, was awarded an exclusive concession to design, finance, build, operate and maintain the Airport. On December 20, 2004, we entered into the Concession Agreement with the Ministry of Civil Aviation ("MoCA"), Government of India, which governs our rights and obligations under the Concession. Under the terms of the Concession Agreement (i) we were granted the exclusive right to operate, manage and develop the Airport for a 30-year period until March 23, 2038, with an option to extend the term for an additional 30 years, which we have already exercised and (ii) we are required to pay a concession fee equivalent to 4.0% of our gross revenue annually to the Government of India.

We have also entered into other agreements such as the SSA, the Land Lease Agreement and the CNS/ATM Agreement with the relevant authorities in relation to the operation of the Airport. The SSA entered into with the State Government provides for certain support services and incentives to us for the development of the Airport, subject to certain parameters.

The Airport was commissioned within a period of 31 months from the commencement of construction and became commercially operational on March 23, 2008 with an initial design capacity of 12 million passengers per year and 150,000 metric tons of cargo handling capacity per year. The Airport has facilities and infrastructure which are in line with ICAO standards and practices to handle large aircraft and international traffic. The Airport's facilities include two runways, one cargo terminal and one passenger terminal with a total of 60 check-in counters and 42 aircraft parking stands, comprising 30 remote stands and 12 aerobridges. The Airport houses a 13,500 kiloliter fuel farm facility that operates on an "open access" fuel policy where any oil marketing company under a contract with an airline can supply fuel using this facility. The Airport has the flexibility to increase capacity to accommodate up to 40 million passengers per year in the south precinct on a more cost-efficient basis due to the modular design of the existing infrastructure based on the revised master plan prepared by Landrum & Brown Worldwide Services with projected total capacity of the Airport at approximately 80 million passengers per year. Such expansion is proposed to be developed in a phased manner in line with the

expected growth in passenger traffic. The current phase of our long-term Master Plan, the Phase 1B Expansion and the Phase 1C Expansion (collectively, the "Current Expansion"), entails expansion of the Airport to increase passenger capacity to 34 million passengers per year (which we believe can be further increased to 40 million passengers per year with additional de-bottlenecking measures) from the passenger capacity of 12 million passengers per year as at September 30, 2020. See "Business—The Master Plan" for further details.

We have also developed a Cargo Village at the Airport, which includes an integrated cargo terminal with domestic, pharmaceutical and international zones within a single terminal. This integrated cargo terminal is spread over an area of 15,000 square meters, containing three aircraft parking bays and a total cargo handling capacity of 150,000 metric tons per year as of September 30, 2020. In addition to these facilities, the Cargo Village also includes a dedicated domestic express terminal operated by Blue Dart and a dedicated cargo satellite building with offices for cargo agents, airlines, regulatory bodies and warehousing space adjacent to the cargo terminal.

Passenger traffic at the Airport has grown substantially from 6.2 million passengers in fiscal year 2009 (when it began commercial operations) to 21.6 million passengers in fiscal year 2020, a CAGR of 12.0%. Cargo volume has also increased significantly, from 54,245 metric tons in fiscal year 2009 to 143,884 metric tons in fiscal year 2020, a CAGR of approximately 9.3%, higher than India's average of 6.3% during the same period. For the fiscal years 2020, 2019 and 2018, (i) total passenger traffic at the Airport was 21.6 million, 21.4 million and 18.2 million, respectively, (ii) total cargo traffic at the Airport was 143,884 metric tons, 144,126 metric tons and 134,141 metric tons, respectively, and (iii) the Airport handled 183,450, 179,606 and 149,581 air traffic movements, which are all aircraft arrivals and departures to and from the Airport.

Under the Land Lease Agreement, the State Government has leased us 5,492 acres and 26 guntas of land for the development of the Airport in accordance with the Concession Agreement along with the exclusive right to develop (or sub-lease the land for) non-airport activities on the site, of which we have designated 1,500 acres for commercial property development in the Master Plan. The initial term of the lease is 30 years until March 23, 2038 (the 30th anniversary of the Airport Opening Date), with an option to extend the term for an additional 30 years, which we have already exercised. We are in the process of developing the commercial site in a phased manner. Out of the 1,500 acres of land designated for commercial development, we have designated 250 acres for a multi-product special economic zone ("SEZ"), which will include a "Free Trade Warehousing Zone" of 20 acres, and an additional 250 acres for a logistics park. The Airport is currently one of India's few airport-based free trade zones, which provides companies an opportunity to undertake trading, distribution, minor assembly, value additions such as packaging and labelling and warehousing for effective re-export of commodities with facilities for sorting, grading, kitting and repacking. The remaining acres are available for development of a theme-based airport city, which is expected to include, among others, a multi-specialty hospital, convention center and exhibition facility, an amusement park, an international business school and an international school. As at September 30, 2020, we have monetized approximately 194.5 acres of this land. See "Business—Our Sources of Revenue—Non-aeronautical Services—Commercial Property Development" for further details.

We entered into a concessioning, operationalization and maintenance agreement with the Government of Karnataka on January 30, 2020 to relating to the operationalization of the civilian enclave of Bidar Airport (the "Bidar Airport") which is within the 150 km aerial distance of the Airport. The exclusive right to maintain and operate the civilian enclave is valid until March 22, 2033. We do not expect revenues from this concession to be material. See "Business—Bidar Airport Concession."

In fiscal year 2020, we had total revenue of Rs. 21,350.2 million (US$289.3 million) and Adjusted EBITDA of Rs. 11,175.8 million (US$151.4 million), an increase of 6.6% and 0.8%, respectively, from total revenue of

Rs. 20,021.0 million and Adjusted EBITDA of Rs. 11,089.1 million in fiscal year 2019. For the six months ended September 30, 2020, we had total revenue of Rs. 3,827.3 million (US$51.9 million) and Adjusted EBITDA of Rs. (294.1) million (US$(4.1) million), a decrease of 64.3% and 104.9%, respectively, from total revenue of Rs. 10,712.8 million and Adjusted EBITDA of Rs. 5,995.8 million for the six months ended September 30, 2019.

Our majority shareholder is GMR Airports Limited, a 51% subsidiary of the GMR Group, a leading diversified infrastructure group in India with substantial experience in the development and operation of airports including the Indira Gandhi International Airport in Delhi, power plants, roads and urban infrastructure. The remaining 49% stake in GMR Airports Limited is owned by Groupe ADP, which develops and manages airports, including Paris-Charles de Gaulle, Paris-Orly and Paris-Le Bourget. Our other shareholders include AAI, the State Government and Malaysia Airports Holdings Berhad, a leading international airport operator. See "Principal Shareholders" for more information about our shareholders.

Overview of our Sources of Revenues

We classify our revenue into two primary categories—revenues from contracts with customers and other income (including finance income). Our revenue from contracts with customers is derived from (i) revenue from aeronautical operations, which comprises user development fees, passenger service fees (facilitation component), landing charges, parking and housing charges and common infrastructure charges, and revenue from cargo operations, including cargo handling services encompassing both physical handling as well as documentation services, fuel farm infrastructure fees, fuel farm throughput fees, ground handling services and revenues from ICT ("Information Communication and Technology charges"), which are regulated by AERA, (ii) revenue from non-aeronautical operations, which comprises revenue earned by us from non-aeronautical operations including, among others, our duty free stores at the Airport, aircraft MRO services, revenue sharing arrangements with our joint venture, Laqshya Hyderabad Airport Media Private Limited, which provides advertising services at the Airport, rent and/or revenue sharing from leasing of terminal space, retail goods and services, food and beverage, car park, car rental services, automated teller machines, lounge rental fees, foreign exchange counters and others), and (iii) revenue from non-airport services comprising of revenues from commercial property development and revenue from hospitality services attributable to our five-star rated Novotel Hyderabad Airport Hotel, which is managed and operated by AAPC India Hotel Management Private Limited (part of the Accor Group). In order to align the classification of major revenue streams as per the tariff set under the 2020 AERA Order, we reclassified the revenue streams accruing to fuel farm, ground handling and cargo handling services under the aeronautical revenue during fiscal year 2020. These revenue streams prior to fiscal year 2020 were classified as non-aeronautical revenue under the audited financial statements. However, for the purpose of comparability across all periods presented in this offering memorandum, we have presented revenues from fuel farm, ground handling and cargo handling services pertaining to fiscal year 2019 and fiscal year 2018 under aeronautical revenues. See "Management's Discussion and Analysis of Financial Position and Results of Operations—Components of our income and expenditures—revenue."

Revenue from aeronautical operations was Rs. 12,044.5 million (US$163.2 million), Rs. 11,624.1 million and Rs. 10,060.8 million for fiscal years 2020, 2019 and 2018, respectively, accounting for 59.8%, 62.0% and 63.1% of our revenue from contracts with customers in those periods. Revenue from non-aeronautical operations was Rs. 7,141.2 million (US$96.8 million), Rs. 6,257.0 million and Rs. 5,088.5 million for fiscal years 2020, 2019 and 2018 respectively, accounting for 35.5%, 33.4% and 31.9% of our revenue from contracts with customers in those periods. Revenue from non-airport services was Rs. 939.0 million (US$12.7 million), Rs. 879.4 million and Rs. 785.5 million for fiscal years 2020, 2019 and 2018, respectively, accounting for 4.7%, 4.7% and 4.9% of our revenue from contracts with customers in those periods.

Revenue from aeronautical operations was Rs. 1,079.1 million (US$14.6 million) and Rs. 6,222.1 million for the six months ended September 30, 2020 and 2019, respectively, accounting for 37.0% and 61.4% of our

revenue from contracts with customers in those periods. Revenue from non-aeronautical operations was Rs. 1,641.6 million (US$22.2 million) and Rs. 3,402.3 million for the six months ended September 30, 2020 and 2019, respectively, accounting for 56.3% and 33.6% of our revenue from contracts with customers in those periods. Revenue from non-airport services was Rs. 193.6 million (US$2.6 million) and Rs. 511.2 million for the six months ended September 30, 2020 and 2019, respectively, accounting for 6.6% and 5.0% of our revenue from contracts with customers in those periods.

For more information regarding our sources of revenues, see "Business—Our Sources of Revenues."

Overview of our Concession

On December 20, 2004, we entered into the Concession Agreement with MoCA which governs our rights and obligations under the Concession. Under the terms of the Concession Agreement, (i) we were granted the exclusive right to operate, manage and develop the Airport (excluding the right to carry out certain reserved activities and to provide communication, navigation and surveillance ("CNS") and air traffic management services which are required to be provided by AAI) for a 30-year period until March 23, 2038 (the 30th anniversary of the Airport Opening Date), with an option to extend the term for an additional 30 years, which we have already exercised and (ii) we are required to pay a concession fee equivalent to 4.0% of our gross revenue annually to the Government of India, which we believe is one of the lowest concession fee structures among PPP airports in India. We have agreed with the Government of India to defer payment of the annual concession fee in respect of the first 10 fiscal years after the Airport Opening Date to the 11th fiscal year after the Airport Opening Date, to be paid in 20 equal half-yearly instalments. The annual concession fee in respect of the 11th fiscal year after the Airport Opening Date and each succeeding fiscal year thereafter will be payable annually in arrears. We began making payments of the half-yearly instalments of such deferred fees on June 30, 2018. However, the Government of India has yet to confirm our calculation of the concession fee payable. See "—Recent Developments—Concession Fee Payment."

We have also entered into other agreements such as the SSA, the Land Lease Agreement and the CNS/ATM Agreement with the relevant authorities in relation to the operation of the Airport. The SSA entered into with the State Government provides for certain support services and incentives to us for the development of the Airport, subject to certain parameters. The Land Lease Agreement provides for the lease to us by State Government of 5,492 acres and 26 guntas of land for the development of the Airport in accordance with the Concession Agreement along with the exclusive right to develop (or sub-lease the land for) non-airport activities on the site, of which we have designated 1,500 acres for commercial property development in the Master Plan. The CNS/ATM Agreement entered into with AAI sets out the terms and conditions for the provision of CNS and ATM services at the Airport by AAI.

COMPETITIVE STRENGTHS AND STRATEGIES

Our business has been negatively affected by the global COVID-19 pandemic (see "—Recent Developments—COVID-19 Outbreak"). Notwithstanding this impact, we believe that the fundamentals of our business remain positive, with domestic travel expected to recover to pre-COVID levels by 2023 and international tourism expected to gradually revive by 2024 according to CRISIL Research. The strengths and strategies set forth herein are based on this outlook for the business and sector.

COMPETITIVE STRENGTHS

We believe our competitive strengths include the following:

Attractive Industry Dynamics

India, with an estimated population of 1,326 million (as of July 2020), had an estimated GDP adjusted for purchasing power parity of approximately US$9.47 trillion in 2017 according to the CIA World Factbook. This makes it the third largest economy by GDP in the world after the U.S. and China. Indian passenger air traffic grew at a CAGR of 12% from fiscal year 2015 to fiscal year 2020, driven by economic growth and growing availability of low cost air travel options. Considering the impact of the COVID-19 pandemic, passenger air traffic is now projected to grow at 7-8% CAGR between fiscals 2020 and 2025 according to CRISIL Research.

As a result of strong economic growth and other positive macroeconomic indicators in India, there has been an overall growth in passenger traffic in India and at our Airport, although passenger traffic has also been partly driven by low fares. We believe that the expansion of India's middle class, coupled with increased disposable incomes due to an expanding economy, is projected to help achieve some of the fastest growth in the world over the next 20 years. The Indian civil aviation industry has also ushered in a new era of expansion, driven by factors such as low-cost carriers ("LCCs"), modern airports, FDI in domestic airlines, advanced IT interventions and the growing emphasis on regional connectivity. In fiscal years 2018, 2019 and 2020, passenger traffic in India was 309 million, 345 million and 341 million, respectively, representing a CAGR of 5.1% over the three fiscal years, and passenger traffic at our Airport was 18.2 million, 21.4 million and 21.6 million, respectively, representing a CAGR of 9.2% over the three fiscal years. However, passenger traffic declined significantly at the end of fiscal year 2020 and during the six months ended September 30, 2020 due to the COVID -19 pandemic.

The introduction of low-cost carriers, modern airports, foreign investment in domestic airlines, the intervention of advanced information technologies and the ever-growing emphasis on regional connectivity have contributed towards a dynamic expansion of the civil aviation industry of India. Prior to the impact of the COVID-19 pandemic, passenger air traffic was projected to grow at a CAGR of 13-15% from fiscal year 2018 to fiscal year 2023, according to CRISIL. CRISIL Research expects passenger traffic to grow at the Airport at a CAGR of 5.0% to 6.0% from fiscal year 2020 to fiscal year 2025 and reach 27.0 to 28.0 million in fiscal year 2025, with domestic traffic expected to outperform international traffic. A rebound in economic growth, improved air connectivity to tier-2 and tier-3 cities, and international expansion of Indian low-cost carriers will drive passenger air traffic growth, according to CRISIL Research. We were the fourth busiest airport in India in terms of passenger traffic in the six months ended September 30, 2020, behind Delhi, Bangalore and Mumbai airports, according to AAI.

We have been appointed by the Government of Karnataka under the UDAN scheme to maintain and operate the Bidar Airport, which is located within an aerial distance of 150 km of the Airport and over which we enjoy exclusivity until the 25th anniversary of the Airport Operation Date, which will be March 23, 2033. We will earn a fee for our operation of Bidar Airport in accordance with an approved annual budget. We do not expect revenues from this concession to be material. The inaugural flight under the Regional Connectivity Scheme landed at Bidar Airport on February 7, 2020. UDAN-RCS, UDAN (Ude Desh ka Aam Naagrik) is a regional airport development and "Regional Connectivity Scheme" of the Government of India, with the objectives of "letting the common citizen of the country fly", making air travel affordable and widespread and boosting inclusive economic development and job growth. The scheme has two components. The first component is to develop new airports and enhance the existing regional airports to increase the number of operational airports for scheduled civilian flights from 70 (in May 2016, total 98 operational including army airports) to at least 150

airports (by December 2018) with regular scheduled flights. The second component is to add several hundred financially-viable, capped-airfare, new regional flight routes to connect more than 100 underserved and unserved airports in smaller towns with each other as well as with well served airports in bigger cities by using "Viability Gap Funding" ("VGF") where needed. VGF is a component of the Regional Connectivity Scheme, pursuant to which MoCA levies a charge on domestic flights and uses the proceeds to fund a subsidy given to airlines that provide capped airfares for certain under-served and unserved regional routes at a target airfare rate of Rs. 2,500 per passenger per hour of flight time. Following the counter-bidding for routes under the Regional Connectivity Scheme, 335 routes have been awarded, covering 33 airports. The Regional Connectivity Scheme also eliminates the existing requirement that airlines must fly domestic routes for at least five years before they fly international routes, so that airlines with at least 20 aircraft may immediately start flying internationally. Under the Regional Connectivity Scheme, new flight connections are operational between 12 underserved airports and our Airport, and we expect more such routes to become operational given the Airport's strong catchment area.

Strategic Location with a Superior Catchment Area

With a population of 6.8 million people, Hyderabad is India's fourth most populous city and a leading financial and industrial center. Hyderabad is considered to be one of the top cities in India in terms of quality of living and has been named by National Geographic 'Traveler' magazine as a top rated destination. Further, the State of Telangana has been ranked number one in terms of doing business in India with an increasing industrial presence in the immediate catchment areas. The State of Telangana also accounts for one third of national bulk drug production according to the IBEF. As Hyderabad is currently the joint capital of Telangana and Andhra Pradesh, the Airport serves as an aviation hub for the region. Moreover, under the Concession Agreement, no new or existing airport is permitted to be developed as, or improved or upgraded into, an international or a domestic airport within an aerial distance of 150 km of the Airport before March 23, 2033. See "Risk Factors—Risks Related to our Business—The Government of India could grant new concessions that compete with the Airport" for further details. Hyderabad's central Asian location is one of the Airport's greatest strengths, with the majority of India's territory reachable within two hours' flight time and the major population centers of the Middle East, Central and Southeast Asia reachable within five hours' flight time. In fiscal year 2020, the Airport served 26 airlines operating connections to 70 destinations, comprising 16 international destinations and 54 domestic destinations, and as a result of increased flight routes, increased flight frequencies and large and fuller aircrafts, passenger traffic at the Airport increased significantly from 6.2 million passengers in fiscal year 2009, the Airport's first year of commercial operations, to 21.6 million passengers in fiscal year 2020, a CAGR of 12.0%. Following the lifting of COVID-19 flight restrictions with effect from May 25, 2020, the Airport resumed operations and as at September 30, 2020 served 16 airlines operating connections to 57 destinations, comprising 6 international destinations (operated through flight bubble arrangements) and 51 scheduled domestic destinations.

Strong Operating and Financial Performance

The Airport has experienced substantial traffic growth since beginning commercial operations in 2009. Passenger traffic at the Airport increased from 6.2 million passengers in fiscal year 2009 to 21.6 million passengers in fiscal year 2020, a CAGR of 12.0%. Cargo volume has also increased significantly, from 54,245 metric tons in fiscal year 2009 to 143,884 metric tons in fiscal year 2020, a CAGR of approximately 9.3%, higher than India's average of 6.3%. For the six months ended September 30, 2020 and 2019 and fiscal years 2020, 2019 and 2018, (i) total passenger traffic at the Airport was 1.9 million, 10.9 million, 21.6 million, 21.4 million and 18.2 million, respectively, of which 0.1 million, 2.0 million, 3.9 million, 4.0 million and 3.7 million, respectively, were international passengers, (ii) total cargo traffic at the Airport was 45,809 metric tons, 72,806 metric tons, 143,884 metric tons, 144,126 metric tons and 134,141 metric tons, respectively, of which 28,531 metric tons, 42,255 metric tons, 82,471 metric tons, 83,594 metric tons and 79,177 metric tons,

respectively, represented international cargo and (iii) the Airport handled 24,725, 89,908, 183,450, 179,606 and 149,581 air traffic movements, of which 2,496, 12,977, 25,759, 25,885 and 24,795, respectively, represented international ATMs. As a result of growth in traffic at the Airport, we increased our declared runway capacity to 36 peak hour movements in fiscal year 2018 from 33 peak hour movements in fiscal year 2017 through a reduction in runway occupancy time and inter-arrival separation. However, the Airport's operations have been significantly affected during the six months ended September 30, 2020 due to the COVID -19 pandemic. See "—Recent Developments—COVID-19 Outbreak" and "Risk Factors—Risks Related to Our Business—Any outbreaks of contagious diseases such as the recent outbreak of COVID-19 may have a material adverse effect on our business operations, financial condition and results of operations."

In fiscal year 2020, we had total revenue of Rs. 21,350.2 million (US$289.3 million) and Adjusted EBITDA of Rs. 11,175.8 million (US$151.4 million), an increase of 6.6% and 0.8%, respectively, from total revenue of Rs. 20,021.0 million and Adjusted EBITDA of Rs. 11,089.1 million in fiscal year 2019. Due to the effects of the COVID-19 pandemic and the implementation of the 2020 AERA Order, for the six months ended September 30, 2020, we had total revenue of Rs. 3,827.3 million (US$51.9 million) and Adjusted EBITDA of Rs. (294.1) million (US$4.1) million), a decrease of 64.3% and 104.9%, respectively, from total revenue of Rs. 10,712.8 million and Adjusted EBITDA of Rs. 5,995.8 million for the six months ended September 30, 2019.

Diversified Revenue Base

The Airport benefits from a diversified passenger base from various markets, including the Asia Pacific region, the Middle East, Europe and the United States. The Airport served 26 passenger airlines and six cargo freighters during fiscal year 2020. Of the international passengers that came through the Airport during fiscal year 2020 and fiscal year 2019, 45% and 48%, respectively, were from Middle East, 21% and 18%, respectively, were from North America, 19% and 18%, respectively, were from Asia, 9% and 8%, respectively, were from Europe, 5% and 7%, respectively, were from other regions. In addition, international cargo accounted for approximately 57.3% and 58.3% of cargo traffic in fiscal years 2020 and 2019 respectively.

Our revenue from contracts with customers is derived from (i) revenue from aeronautical operations, which comprises user development fees, passenger service fees, landing charges, parking and housing charges, common infrastructure charges, cargo operations (including a full scope of cargo handling services encompassing both physical handling as well as documentation services), fuel farm infrastructure fees and fuel farm throughput fees and revenues from ground handling services and are regulated by AERA and (ii) revenue from non-aeronautical operations, which comprises revenue earned by us from non-aeronautical operations including, among others, our duty free stores at the Airport, aircraft MRO services, revenue sharing arrangements with our joint venture, Laqshya Hyderabad Airport Media Private Limited, which provides advertising services at the Airport, rent and/or revenue sharing from leasing of terminal space, retail goods and services, food and beverage, car park, car rental services, automated teller machines, lounge rental fees, foreign exchange counters and others), and (iii) revenue from non-airport services comprising of revenues from commercial property development and revenue from hospitality services attributable to our five-star rated Novotel Hyderabad Airport Hotel, which is managed and operated by AAPC India Hotel Management Private Limited (part of the Accor Group). In order to align the classification of major revenue streams as per the tariff set under the 2020 AERA Order, we reclassified the revenue streams accruing to fuel farm, ground handling and cargo handling services under the aeronautical revenue during fiscal year 2020. These revenue streams prior to fiscal year 2020 were classified as non-aeronautical revenue under the audited financial statements. However, for the purpose of comparability across all periods presented in this offering memorandum, we have presented revenues from fuel farm, ground handling and cargo handling services pertaining to fiscal year 2019 and fiscal year 2018 under aeronautical revenues. See "Management's Discussion and Analysis of Financial Position and Results of Operations—Components of our income and expenditures—revenue." With effect from January 15, 2020, fuel farm throughput fees have been discontinued pursuant to the 2020 AERA Order. As part of our multi-year tariff order application for the third

control period, we are requesting to recover the foregone revenue from fuel farm throughput fees in the form of true-ups or an alternative levy. We filed our aeronautical tariff application for the third control period on July 24, 2020, and it is currently under review by AERA.

We have had a balanced mix of revenue from aeronautical operations, non-aeronautical operations and revenue from non-airport services. Revenue from aeronautical operations was Rs. 12,044.5 million (US$163.2 million), Rs. 11,624.1 million and Rs. 10,060.8 million for fiscal years 2020, 2019 and 2018, respectively, accounting for 59.8%, 62.0% and 63.1% of our revenue from contracts with customers in those periods. Revenue from non-aeronautical operations was Rs. 7,141.2 million (US$96.8 million), Rs. 6,257.0 million and Rs. 5,088.5 million for fiscal years 2020, 2019 and 2018, respectively, accounting for 35.5%, 33.4% and 31.9% of our revenue from contracts with customers in those periods. Revenue from non-airport services was Rs. 939.0 million (US$12.7 million), Rs. 879.4 million and Rs. 785.5 million for fiscal years 2020, 2019 and 2018, respectively, accounting for 4.7%, 4.7% and 4.9% of our revenue from contracts with customers in those periods. Revenue from aeronautical operations was Rs. 1,079.1 million (US$14.6 million) and Rs. 6,222.1 million for the six months ended September 30, 2020 and 2019, respectively, accounting for 37.0% and 61.4% of our revenue from contracts with customers in those periods. Revenue from non-aeronautical operations was Rs. 1,641.6 million (US$22.2 million) and Rs. 3,402.3 million for the six months ended September 30, 2020 and 2019, respectively, accounting for 56.3% and 33.6% of our revenue from contracts with customers in those periods. Revenue from non-airport services was Rs. 193.6 million (US$2.6 million) and Rs. 511.2 million for the six months ended September 30, 2020 and 2019, respectively, accounting for 6.6% and 5.0%. We believe that we have a robust revenue model based on our aeronautical revenue stream with the potential for significant upside through our non-aeronautical revenue stream, which is not subject to regulatory control, in particular due to our commercial property development business which provides a revenue stream largely delinked from air travel and which is set to grow as we sub-lease the remainder of the 1,500 acres of land that we have designated for development in the Master Plan. Our MRO business operations largely remain unaffected on account of COVID-19 pandemic, posting increased revenues for the six months ended September 30, 2020 compared with the corresponding period in 2019. We have also been successful in monetizing approximately 75 acres of land parcel through a long-term lease in the nine months from April 2020 to December 2020.

We believe that our diversified operations and sources of revenue helped create consistent revenue generation through a combination of regulated revenue streams and business focus strategies before the onset of the COVID-19 pandemic. The COVID-19 pandemic has driven us to think of a revenue model, which would have relatively lesser degree of reliance on traffic-linked revenue, for example, non-aeronautical offerings at the Airport targeting the general population of the city.

Significant Real Estate Development Opportunity

Under the Land Lease Agreement, the State Government has leased us 5,492 acres and 26 guntas of land for the development of the Airport in accordance with the Concession Agreement along with the exclusive right to develop (or sub-lease the land for) non-airport activities on the site, of which we have designated 1,500 acres for commercial property development in the Master Plan.

We are in the process of developing the commercial site in a phased manner. Out of this 1,500 acres, we have designated 250 acres for a multi-product SEZ, which will include a "Free Trade Warehousing Zone" of 20 acres, and an additional 250 acres for a logistics park. The developers in the multi-product SEZ will be entitled to fiscal incentives together with "single window" clearances for regulatory approvals and 24-hour power and other utilities. The remaining acres are available for development of a theme-based airport city, which is expected to include among others a multi-specialty hospital, convention center and exhibition facility, an

amusement park, an international business school and an international school. As at September 30, 2020, we have monetized approximately 194.5 acres of this land.

On April 16, 2020, our subsidiary GMR Hyderabad Aerotropolis Limited ("GHAL") formed a joint venture with Singapore-based ESR Hyderabad 1 Pte. Limited ("ESR") to develop a logistics and industrial park at the Airport, in connection with which the joint venture company has leased 66 acres of land from GMR Hyderabad Aerotropolis Limited. ESR and GHAL hold stakes of 70% and 30%, respectively, in the joint venture. ESR will contribute its brand and operational expertise to build out a logistics business based around the park, and the project is currently in the capitalization and construction planning phase. We believe the transaction will support our airport-centric logistics and industrial park business by providing state-of-the-art facilities for distribution centers, warehousing and non-polluting industries, such as light assembly.

We believe that this 1,500-acre site presents a significant real estate development opportunity for us and an additional source of cash flow for our business.

Stable Regulatory Outlook

Our business operations fulfill a number of socio-economic goals that are important to the Indian government, such as employment and infrastructure development, and our operational, development and expansion plans are closely aligned with the government's objectives, including supporting the economic development of India and encouraging the growth of tourism. In addition, 13.0% of our shares are currently owned by the State Government and 13.0% of our shares are owned by AAI, making the Government of India one of our key shareholders. In this regard, we have received financial support from State Government in the form of development grants and interest free loans with deferred payment terms and the Concession Agreement provides for a modest revenue-sharing of 4.0% of gross revenues with the Government of India.

The Government of India's Aviation Policy 2016 introduced various measures to make flying affordable and convenient for the Indian public and promote the growth of the Indian civil aviation sector. The Aviation Policy 2016 seeks to enhance regional connectivity by providing fiscal support and infrastructure development while improving the ease of doing business through deregulation, use of electronic platforms and simplified procedures. The Aviation Policy 2016 endorsed the adoption of the 30% hybrid till tariff model for all airports in India. This endorsement helps ensure that AERA will continue to approve our current 30% hybrid till tariff model in subsequent control periods, providing valuable visibility for our future financial planning, in addition to contributing to uniformity and fairer competition among airports in India. The policy has also encouraged the development of MRO, ground handling, cargo and aviation turbine fuel infrastructure facilities located at the Airport by designating the companies rendering such services as infrastructure companies, which entitles them to certain tax and other fiscal benefits available to the infrastructure sector. Going forward, the Government of India will seek to enter into "open sky" air service agreements on a reciprocal basis with member countries of the South Asian Association for Regional Cooperation and countries that are more than 5,000 km from India. The Aviation Policy 2016 targets to increase annual domestic air passengers to 500 million, international air passengers to 200 million and cargo volumes to 10 million metric tons by 2027.

The Government of India also plays a range of other important roles with respect to our business, including through regulatory, supervisory, operational coordination and contractual counterparty roles across many aspects of our airport operations and other activities. We believe that due to the pivotal importance of air travel to the economic development of India, we will benefit from the ongoing initiatives of the Government of India.

Our revenue from aeronautical services, which is generated from fees we collect from airlines and passengers, is set by AERA, an independent regulator established by the Government of India. Our expansion

plans, including our plans for future capital expenditures in subsequent control periods, is subject to AERA's review and approval in connection with its tariff decisions. As a result, we believe that AERA's tariff decisions provide assurances that sufficient revenue will be available from aeronautical services to fund our intended capital expenditures in line with the plans we have submitted to AERA. We have the right to appeal AERA's tariff rates to a separate appellate tribunal, which provides us with an avenue to address potential concerns. See "Indian Regulatory Environment—Regulatory Bodies—AERA" for further details.

Independent Company with Strong Oversight Controls

We exercise independence in our managerial and financial operations while also enjoying the support of reputable shareholders. Our shareholders include private sector sponsors GMR Infrastructure Limited and Malaysia Airports Holding Berhad (through MAHB Mauritius Private Limited) and public sector entities AAI and the State Government. Under the SHA, the role of our private sector shareholders is to manage the operations of the Airport while our public sector shareholders provide the relevant support, particularly by ensuring reliable transport infrastructure, power and utilities, ensuring security at the Airport, and advising on policy with regard to the regulatory till and other regulatory matters. Certain fundamental decisions with respect to our strategy and business require the approval of directors from each of our public-sector shareholders, as does any approval of agreements relating to engineering, procurement and construction, operations and management, or communications and air traffic control that we enter into with affiliates of our shareholders. Our public sector shareholders also provide financial support, particularly with regard to development grants and interest free loans with deferred payment terms, from the State Government, and the Concession Agreement provides for a modest revenue-sharing of 4.0% of gross revenues with the Government of India, which is one of the lowest concession fee structures among PPP airports in India.

Our board is comprised of 15 directors, of which six are nominated by the GMR Group, one is nominated by Malaysia Airports Holding Berhad, two are nominated by AAI, two are nominated by the State Government and four are independent directors. Our key board committees include nominees from our public sector shareholders and independent directors. See "Management" for further details.

Our majority shareholder is GMR Airports Limited, a 51% subsidiary of the GMR Group, which has substantial experience in the development and operation of airports, including the Indira Gandhi International Airport in Delhi. The GMR Group believes in contributing its industry expertise to the companies it invests in while establishing for each a clear and independent management structure. GHIAL's financing documents do not include cross-default provisions with respect to the GMR Group, which further strengthens GHIAL's insulation from the GMR Group. As a regulated entity, legislative, regulatory and structural restrictions prohibit GHIAL from supporting the GMR Group to extent that would in turn impair GHIAL's standalone creditworthiness. The remaining 49% shareholder of GMR Airports Limited is Groupe ADP, which develops and manages airports, including Paris-Charles de Gaulle, Paris-Orly and Paris-Le Bourget, which we believe may open up new opportunities for route development, operational expertise, retail partnerships and other business innovations. Another of our shareholders is Malaysia Airports Holding Berhad, a subsidiary of Malaysia Airports Limited, a leading international airport operator with very strong domain expertise in airport operations and management, which takes a passive role in managing our operations while providing advice on strategic matters to our board. We are a separate legal entity from our shareholders, do not permit co-mingling of cash flows and enter into transactions with our affiliates on an arm's-length basis, and we have independent directors on the board who have effective influence on decision making. As a result, we enjoy significant independence from our shareholders in managing and operating the Airport.

Excellent Reputation and Highly Experienced Management

We believe our competitive position compared to other world-class airport operators and a continuing reputation for operational excellence within the airport services industry is a significant competitive advantage. GMR Group has been in the airports business for more than a decade and has established itself as a leading airport developer. Our majority shareholder, GMR Airports Limited, which is part of the GMR Group, is a full service airport developer, providing end-to-end solutions across construction, financing, development, operation and management of airports. Our highly experienced management team has leveraged that experience at the GMR Group to make substantial infrastructure and operational improvements at the Airport and greatly improve the Airport's reputation. Our management team is composed of experienced professionals with extensive knowledge of airport safety and operations, finance, business development, infrastructure projects and human resources management in airport-related operations. We believe our management team's capabilities and core understanding of our business, as well as the related regulatory environment, enable us to operate efficiently and manage risk effectively.

As a result of our management's continued efforts, coupled with that of our partners, the Airport and/or GHIAL have been recognized by several industry observers and have earned a number of awards, including the following:

- Ranked number one in 2009, 2010, 2016 and 2017, number two in 2012 and 2013 and number three in 2011, 2014 and 2015 for "Best Airport in the World" among 5-15 million passenger size airports by the Airport Council International;
- World #4 ASQ ranking in 15-25 Million category in 2018 by Airport Council International;
- "Second position in the Best Regional Airport in India and Central Asia" at the SKYTRAX World Airport Awards 2020;
- ACI Airport Health Accreditation in 2020 for prioritizing health and safety measures;
- Best Airport Staff Service Awards (India / Central Asia categories) at the SKYTRAX World Airport Awards 2020;
- LEED "silver" rating for the Airport's eco-friendly design;
- 5-star certification and the "Sword of Honor" from the British Safety Council;
- Level 3 accreditation by ACI in relation to airport carbon emission;
- First place in the "Large Scale—Service" category of the CII SR 5S Excellence Award 2015;
- "ASSOCHAM 2nd Corporate Governance Excellence Award" in 2015 and 2016—as runner up under Unlisted Private Sector Company of Less than Rs. 5 billion Turnover category;
- "Best Management Award" from the Government of Andhra Pradesh;
- "Active Customer Engagement Award" in the inaugural edition of "CII Award for Customer Obsession 2016";

- "Golden Peacock Environment Management Award" in 2015;
- "Golden Peacock Business Excellence Award 2017" under the "Large Scale Industry—Transportation—Aviation" category;
- Our cargo subsidiary, GMR Air Cargo and Aerospace Engineering Limited (cargo division, formerly known as Hyderabad Menzies Air Cargo Private Limited), received the award for "Best Cargo Terminal Workforce 2016" at the Warehousing Excellence Awards;
- 15th National Award for Excellence in Cost Management 2017 and 16th National Award for Excellence in Cost Management 2018 from Institute of Cost Accountants of India;
- Excellent Energy Efficient Unit Award at the 19th National Award Ceremony for 'Excellence' in Energy Management;
- CII- Green Power Excellence Award 2020 in the "Ground Mounted Solar" category;
- Green Airports Silver Recognition award by ACI (Airport Council International) in 2019;
- Asia-Pacific HR Excellence Bronze Recognition by ACI (Airport Council International) in 2019;
- FTCCI (Federation of Telangana Chambers of Commerce and Industry) Excellence Award for "Excellence in Corporate Social Responsibility (CSR);
- National Energy Leader Award by CII in 2019 and 2020;
- Excellent Energy Efficient Unit by CII Smart Cargo Airport of the Year by Maritime Gateway;
- Gold Category Recognition based on the Business Excellence Maturity Assessment Program;
- 4 star Recognition in CII-EHS Excellence Award;
- The Institute of Company Secretaries of India (ICSI) 3rd CSR Excellence Award 2018 for Best Corporate (Emerging Category);
- Gold Award in Telangana State Energy Conservation Awards- 2020;
- "Golden Peacock Award for Corporate Social Responsibility 2017" under Transportation—Aviation" category;
- Our MRO Subsidiary received CII (Confederation of Indian Industry) Southern Region 5S Excellence Award 2018-19;
- Our MRO Subsidiary received certificate for completing 500 C Checks from AERO MRO India; and
- Featured among top 10 airports globally in 2019 Annual Ratings for passenger experience (on-time performance, service quality and food & shopping options) by AirHelp.

STRATEGIES

We intend to seek to increase revenues and improve efficiencies through the following key measures:

Successfully Implement the Current Expansion

Prior to the Covid-19 pandemic, as passenger traffic at the Airport had exceeded the passenger capacity of the Airport, we embarked on a significant expansion at the Airport to increase passenger capacity through the construction of additional facilities, which we expect will contribute to an increase in both aeronautical revenues and non-aeronautical revenues once passenger traffic recovers from the COVID-19 pandemic. In response to the COVID-19 pandemic, we have introduced several measures at the Airport to instill confidence in passengers on the safety of the travel, such as contactless entry into the terminal where authentication may be verified by a Central Industrial Security Force ("CISF") through video, contactless common-use self service ("CUSS") with a web browser-based interface to enable passengers to check in through mobile, virtual customer information desks, contactless elevators based on infrared technology, Corona UV Ovens to sanitize purchases made by passengers at the airport, and contactless food and beverage ordering and digital payments via mobile applications. Accordingly, we incurred costs of approximately Rs. 50 million in the six months ended September 30, 2020 in connection with these health and safety facilities and to ensure compliance with government regulations. During the construction period, in order to address growth and to maintain the passenger experience while the expansion construction is underway, we have undertaken various de-bottlenecking measures such as the development of an interim international departure concourse, e-boarding facility and express check-in facility, including additional entry points to the terminal, re-orientation of security checkpoints, modification of the baggage handling system, kerb side expansion, ramp expansion, including additional remote gates by extending the bus lounge and de- peaking of passengers to improve both terminal and airside capacities.

Under the terms of the Concession Agreement, we are required to update and re-submit the Master Plan to the Government of India every five years or more frequently if justified by traffic growth or other reasons covering the anticipated demands. We made our last submission of the Master Plan to MoCA in fiscal year 2018, which included the Airport's developmental need in greater details for the five-year period between fiscal year 2018 and fiscal year 2022 and the broad plans for the period between fiscal year 2019 and fiscal year 2039. In light of the growth of LCCs, higher traffic growth than was previously assumed, changes in flight and passenger demand and other factors, we have revisited the Master Plan and expect to submit to MoCA a revised Master Plan consisting indicative planning and implementation periods beyond 2022 for Phase 2A and Phase 2B.

The Current Expansion, comprising the Phase 1B Expansion and the Phase 1C Expansion, entails expansion of the Airport to increase passenger capacity to 34 million passengers per year (which we believe can be further increased to 40 million passengers per year with additional de-bottlenecking measures) from the existing passenger capacity of 12 million passengers per year. Passenger traffic at the Airport was 21.6 million for the fiscal year 2020, but has contracted significantly for the six months ended September 30, 2020 to 1.9 million on account of COVID-19. We believe that traffic may recover as the pandemic subsides with mass vaccination in many countries in the next six to nine months. CRISIL Research expects passenger traffic to grow at the Airport at a CAGR of 5.0% to 6.0% from fiscal year 2020 to fiscal year 2025 and reach 27.0 to 28.0 million in fiscal year 2025, with domestic traffic expected to outperform international traffic. CRISIL Research expects cargo traffic to grow at a CAGR of 6.0% to 7.0% from fiscal year 2020 to 2025 and reach 201,000 metric tons by fiscal year 2025. In connection with the Current Expansion, we will expand the terminal and associated facilities to augment annual passenger processing capacity in order to meet the demand of the projected traffic growth. The Current Expansion includes, among others, (i) the addition of a modular expansion to the east and west sides which will more than triple the size of the existing terminal, (ii) pier expansion (east and west side), (iii) apron expansion for stands and excess taxi provisions and (iv) modification of the departure forecourt and ramp modification. The

table below provides a snapshot of the key infrastructure additions upon completion of the Current Expansion as compared to the existing infrastructure at the Airport:

Particulars	Existing[1]	Post-Current Expansion
Aircraft apron stands	42	93
Total contact stands	10	44
Baggage carousels/claim unit (International) (90m)	2	7
Baggage carousels/claim units (Domestic) (90m)	3	7
Total baggage carousels/claim	5	14
Terminal area	117,000 sqm	379,370 sqm

(1) According to the Master Plan.

We have awarded the major contracts for the Current Expansion pertaining to terminal and airside developments to Larsen & Toubro Limited and Megawide Construction Corporation for an aggregate value of Rs. 39.77 billion (US$511.8 million). For a description of these contracts, see "Business—Contracts for the Current Expansion". The construction work is progressing and ramp and airside sub-projects which were awarded earlier have been completed.

Our earlier expansion plan to expand capacity to 20 million passengers per year, which was filed with our tariff submission to AERA for the second control period in March 2016 based on the traffic growth at that time, was considered by AERA, and AERA's assessment of our capital expenditure plan for 20 million passengers per year was published in a consultation paper issued by AERA in December 2017 and also in the 2020 AERA Order issued in March 2020 setting our tariff for the second control period. However, we revisited our capital expenditure plan on account of the sustained traffic growth at the Airport and conducted consultations with key stakeholders to obtain their approval for the Current Expansion to accommodate up to 34 million passengers per year (which we believe can be further increased to 40 million passengers per year with additional de-bottlenecking measures) and submitted our revised capital expenditure proposal to AERA as part of the third control period tariff order submission in July 2020.

Though the COVID-19 pandemic has significantly impacted passenger traffic at the Airport, we believe that domestic traffic will continue to recover, and at a rate faster than international traffic. Since the Airport primarily caters to domestic travelers, we believe that the relatively moderate overall traffic recovery expected by fiscal year 2022 and faster growth expected thereafter makes Current Expansion in sync with the projected traffic. CRISIL Research expects passenger traffic to grow at the Airport at a CAGR of 5.0% to 6.0% from fiscal year 2020 to fiscal year 2025 and reach 27.0 to 28.0 million in fiscal year 2025, with domestic traffic expected to outperform international traffic.

Although the Current Expansion was to be completed by March 2022, completion has been delayed by the prolonged lockdown in India caused by the COVID-19 pandemic, which resulted in migrant workers returning home and additional delays in provisions of goods and the mobilization of the workforce and management following the lifting of the lockdown. The revised target completion date for the Current Expansion is September 2022. Since our contracts are fixed price contracts, there is no price escalation on account of potential delays in implementation by up to six months, except for interest accruing during the period of delay, which will have a bearing on the total project cost.

Develop the Airport into South and Central India's Gateway of Choice

A key driver of our revenue growth is passenger traffic. We are therefore committed to developing new air routes at our Airport by encouraging new airlines to call on the Airport and existing airline customers to add further routes to and from the Airport, with a particular focus on key international routes and airlines with high growth potential. Since March 31, 2018, we have added routes to Bhopal, Kannur, Vadodra, Jharsuguda, Gorakhpur, Nasik, Gwalior, Mysore Bagdogra, Udaipur, Hubli, Jagdalpur, Kishangarh, Imphal and Tiruchchirappalli. Due in part to our catchment area and centralized location, we believe that we are the preferred airport for travelers to south India as compared to other airports in south India such as Bangalore and Chennai.

We intend to enhance our market position as a transit point for domestic flights and promote Hyderabad as the preferred hub for immediately addressable markets and routes. Further, as airports under the Regional Connectivity Scheme become operational, we believe we are well placed to establish the Airport as a transit and transfer hub. Our transit and transfer passenger traffic in the last three years showed steady growth prior to the COVID-19 pandemic. For the fiscal years 2020, 2019 and 2018 and the six months ended September 30, 2020, transfer and transit passenger traffic accounted for 1.7%, 2.1%, 2.6% and 1.4%, respectively, of the total passenger traffic at the Airport. The geographic location of Hyderabad makes it suitable as a hub for domestic passenger traffic, especially as it provides easy access to and from various major cities in South and Central India. We have developed a comprehensive route development strategy, backed by our team of experienced professionals, with the goal of developing new routes, optimizing the scheduling of existing routes, building flight connections, attracting new airlines and increasing overall passenger traffic at Hyderabad. We are working closely with airlines to align their schedules of departures and arrivals to maximize connection options and minimize connecting times for passengers. We also aim to increase the number of aircraft based at the Airport by offering night parking and other facilities, and to establish routes serviced by larger aircraft to help increase passenger traffic.

We also aim to develop Hyderabad as a tourism gateway through the introduction of integrated tourism packages and collaborating with the tourism departments of neighboring states. For example, we have introduced loyalty programs for travel agents and route development initiatives with airlines for certain routes. We believe that these efforts will facilitate the development of additional routes and further increase passenger traffic and revenues.

Develop the Airport as a Preferred Logistics Hub

We seek to develop the Airport into an air traffic hub for cargo in India by pursuing several initiatives, including increasing traffic to the Middle East, Africa, China and Europe by developing new facilities such as perishable cargo, express cargo and trans-shipment facilities and expanding the domestic zone facilities, enhancing our air cargo logistics center to attract new freight forwarders, leveraging our state-of-the-art cargo terminal with advanced temperature-controlled facilities for the storage and handling of pharmaceutical products from receipt until dispatch to the aircrafts, and developing new revenue streams for renting warehouse and commercial cargo space.

We have developed the Cargo Village at the Airport, which includes an integrated cargo terminal with domestic, pharmaceutical and international zones within a single terminal. This integrated cargo terminal is spread over an area of 15,000 square meters and has a cargo handling capacity of 150,000 metric tons per year. The Cargo Village also includes a cargo apron with three dedicated aircraft parking bays for freighters approximately 50 meters away from the cargo terminal, which enhances the quality of handling of freighters by avoiding temperature excursions and reducing turnaround time. The region has become a center for major pharmaceutical companies who have either developed or engaged in contract manufacturing. We believe the

Airport can act as an important link in distribution chain for the transport of COVID-19 vaccines, which require a continuous cold chain logistics capability, and have begun collaborating with Dubai Airport to develop a dedicated corridor for the seamless transport of the vaccines produced in India for export. We are also constructing a second cargo terminal with an area of approximately 10,000 square meters and a cargo handling capacity of 50,000 metric tons per year, in connection with which we are engaging an additional cargo operator through competitive bidding. The Cargo Village has a dedicated cargo satellite building with warehousing space and offices for cargo agents, airlines and regulatory bodies, all available at a single facility proximate to the cargo terminal. In addition, Blue Dart operates a dedicated Domestic Express Terminal from the Cargo Village.

To strengthen our catchment connectivity, we have launched an "Air Freight Stations" initiative at Nagpur, Chennai, Goa and Vishakhapatnam to provide location convenience to our customers in these locations so that they can utilize our cargo infrastructure and services directly from their business regions. We have also linked several cities in South, Central and Western India through our "Road Feeder Services" initiative. We believe that these initiatives have demonstrated the quality of our infrastructure and connectivity and associated benefits of shipping through the Airport to customers within our catchment area, which has contributed to the consistent increase in our transit cargo in recent years.

We plan to leverage our Cargo Village and core cargo business to explore new cargo opportunities. We plan to further expand our capacity for pharmaceuticals with a dedicated "Pharma Zone" containing additional temperature-controlled warehouses, attract trunk route freighters and establish additional Free Trade Zones. Leveraging the growth of our airport city, we plan to ultimately establish an integrator hub, with a new express cargo terminal, additional bonded and non-bonded warehouses and a greenfield cargo airline based at the Airport.

Drive Growth in Commercial Property Development and Non-Aeronautical Operations Revenue

We earn revenue in our commercial property development segment from sub-leasing parcels out of our total land bank of approximately 1,500 acres. All land monetization activities are being undertaken through our wholly owned subsidiaries which in turn provide lease rent and revenue share to GHIAL. We are currently focused on increasing the percentage contribution from commercial property development and non-aeronautical operations to our overall operating revenue. The terms of our Concession also provide us with flexibility and control in developing non-aeronautical operations, which are generally not subject to government tariff regulation. These non-aeronautical operations, including various retail and food and beverage outlets in the Airport, advertising in Airport premises, the leases of commercial space such as offices and airline lounges, operation of car parks and retail operations consisting of the sale of dutiable and non-dutiable goods, are all provided through various partner concessionaires, subsidiaries and joint ventures. Non-aeronautical operations also include MRO services. Our non-airport activities comprise revenues from the commercial property development activities of our subsidiaries and revenue from hospitality services primarily attributable to our five-star rated Novotel Hyderabad Airport Hotel and Duty Free .

With the increasing consumer purchasing power in India, we believe there are significant opportunities to increase non-aeronautical operations revenue per passenger. We expect to focus on this objective through a range of initiatives, including:

- *Generate revenue from commercial property development*. We plan to continue to develop commercial property at the Airport in phases utilizing the 1,500 acres we have designated for commercial property in the Master Plan. Our aim is to progressively develop a multi-product SEZ spread across 250 acres, a logistics park spread across 250 acres and a theme-based, anchor-led, mixed-use airport city spread across 1,000 acres. September 30, 2020, we have monetized approximately 194.5 acres of this land, including land leased to United Technologies Corporation India Pvt. Ltd. (Pratt & Whitney), Amazon

Seller Services Private Limited, Casper Pharma Private Limited, Cronus Pharma Specialties India Private Limited, Schulich Business School, Decathlon, Turbo Jet Private Limited, Safran Electrical & Power India Pvt Ltd, Cyient DLM Pvt Ltd, Multisorb Technologies India Private Limited, Global Aerotech India Private Limited, GMR Air Cargo and Aerospace Engineering Limited and CFM Aircraft Engine Support South Asia Private Limited and, St Mary's Eduinfra Private Limited, Spicejet Limited and have also recently signed a joint venture for the establishment of a 66 acre logistics and industrial park at the Airport with our joint venture GLPPL.

The business environment in Hyderabad has been improving over the past few years with gradual economic recovery aided by the industry-friendly policies of the state government which has brought the likes of Amazon, Apple, Google and Microsoft to set up campuses in Hyderabad. With such ongoing developments in and around Hyderabad, the demand for land in our land bank has gained traction and is expected to contribute significantly to our revenues. Since the COVID-19 pandemic, our continued monetization is expected to be sluggish and the pandemic continues to hamper overall economic environment and driving contractions in demand.

- *Create stronger commercial focus*. We are in the process of optimizing our retail and other service offerings as increased floor space would be available in the terminal on account of Current Expansion. In connection with these initiatives, we are seeking to reorganize, reposition and diversify our retail, food and beverage and other commercial offerings in our Airport to maximize customer traffic and visibility and minimize the distance and processing times from retail or other shops to boarding gates. Some of the key initiatives that we have undertaken, or plan to undertake, include (i) the development of new retail spaces in underpenetrated areas at the Airport by designing and executing new projects, bringing in new brands and improving processes around concessionaire coordination, (ii) bringing new concessionaires onboard and tracking the sales performance of concessionaires through the improvement in account management, the implementation of close-ended Electronic Point of Sale ("EPOS") and closed-circuit television ("CCTV") systems and mystery audits and performance monitoring audits, (iii) utilizing visual merchandising and in-store promotions to improve impulse purchases with increased awareness and engagement with potential customers through social media, (iv) the introduction of new food and beverage offerings such as food festivals, take-away options and developing the food court, (v) encouraging the growth of the Airport as a leisure and destination venue by working on arena concepts, improving the leisure offerings at the Airport and promoting the activities at the Airport in the city and (vi) modifying the car park with a focus on the smooth entry and exit of vehicles through forecourt management and the introduction of valet and premium parking. We utilize extensive benchmarking through best practices learned from the leading airports in the world to enhance our optimization process. We are also working with our concessionaires to better differentiate and diversify our offerings in order to target the contrasting needs of full-service and LCC passengers and widen our overall product and services ranges to enhance passenger experience in our airports. Furthermore, we seek to promote our Airport branding through extensive marketing and communication of our products and services.

- *Enhance retail operations*. Through our subsidiary, we operate a full-range duty-free products business in the Airport. We are focused on enhancing the revenue contribution from our duty-free retail operations through initiatives including (i) the enhancement of brand and product offerings and the introduction of new categories of products beyond the core categories, (ii) improving the lay-out of our duty-free stores to better engage passengers, (iii) customizing offerings to better cater to target customers, (iv) focusing on visual merchandising, marketing and communication to attract customers, (v) attracting festive celebrations, (vi) achieving efficient inventory management, (vii) rolling out in-store promotions and strategic product tie-ups and (viii) focusing on staff training and development.

We can also leverage our existing infrastructure to offer additional services for parking, taxis and food and beverage offerings to drive additional revenue growth.

- *Enhance our business capabilities*. We seek to expand commercial airport operations by supporting better business decision-making methodologies through the improvement of our business intelligence analytics, point-of-sales data analysis, business relationship management and customer relationship management systems. We believe that enhancing our business management capabilities will allow us to leverage the expansion of our commercial operations infrastructure into compounding business growth.

We believe the above steps have resulted in a significant increase in revenue from non-aeronautical operations since the start of our Concession and we will continue to implement these strategies. Revenue from non-aeronautical operations was Rs. 7,141.2 million (US$96.8 million), Rs. 6,257.0 million and Rs. 5,088.5 million for fiscal years 2020, 2019 and 2018, respectively, accounting for 35.5%, 33.4% and 31.9% of our revenue from contracts with customers in those periods. Revenue from non-airport services was Rs. 939.0 million (US$12.7 million), Rs. 879.4 million and Rs. 785.5 million for fiscal years 2020, 2019 and 2018, respectively, accounting for 4.7%, 4.7% and 4.9% of our revenue from contracts with customers in those periods. For the six months ended September 30, 2020 and 2019, revenue from non-aeronautical operations was Rs. 1641.6 million (US$22.4 million) and Rs. 3,402.3 million, respectively, accounting for 56.3% and 33.6% of our revenue from contracts with customers in those periods. Revenue from non-airport services was Rs. 193.6 million (US$2.6 million) and Rs. 511.2 million for the six months ended September 30, 2020 and 2019, respectively, accounting for 6.6% and 5.0% of our revenue from contracts with customers in those periods. The decline in such revenue was attributable to the impact of COVID-19 pandemic.

Sustain Service Quality and Customer Experience

As the first Indian airport to be named "Best Airport in the World" among 5-15 million passenger size airports by the Airport Council International in 2009, 2010, 2016 and 2017, and the 2nd Best Airport in the Asia Pacific Region and also and Best Airport for Environment and Ambience among 15-25 million passenger size airports by the Airport Council International in 2019. We aim to continue to improve service levels and overall passenger satisfaction by working with our stakeholders and regulatory partners to introduce passenger friendly policies. The Airport's existing passenger throughput had exceeded the terminal capacity leading to capacity constraints during peak hours. In response, we undertook various de-bottlenecking measures such as including additional entry points to the terminal, re-orientation of security checkpoints, modification of the baggage handling system, kerb side expansion, ramp expansion, including additional remote gates by extending the bus lounge and de-peaking of passengers to maximize the utilization of our current facilities. Other initiatives include the introduction of an e-boarding facility and express security check facility for passengers travelling with hand baggage. These initiatives are expected to reduce waiting times for security checks, increase available time for retail activities and reduce our operating costs. We have taken several measures to continue to provide best-in-class experience to our passengers and mitigate the impact of our current construction on the quality of service. During the past one and half years, we have been working on the following projects to enable the Airport to effectively handle the growing traffic and airlines requirements while it embarks on the expansion works.

- *Interim International Departure Concourse*. We have increased capacity at the Airport by developing a single-storey processor building (interim international departure concourse), adjoining the existing terminal, for international departures. This facility has check-in, security, immigration and customs processing facilities for international passengers. This facility has 42 check-in counters, eight hold baggage screening machines, four automatic tray retrieval systems, one conventional hand baggage screening machine and 22 immigration counters and has been operational since October 2018.

- *Interim Domestic Arrival Concourse*. We have increased capacity at the Airport by developing a new single-storey processor building (interim domestic arrival concourse), adjoining the existing terminal for domestic arrival passengers. The facility has four baggage reclamation areas with a walkway for arrival passengers and has been operational since April 2019. This facility can handle an additional 1,200 peak arrival passengers.

- *Remote Parking Stands*. We have included an additional 26 remote parking stands which have been operational since December 2018.

- *Ramp Widening*. In order to handle increased vehicular movement at both the arrival and departure terminals, the existing ramp was widened in December 2018.

By aligning our airport infrastructure planning with the expected growth in passenger levels, we hope to satisfy the changing needs and expectations of passengers at the Airport. In addition to building a customer-focused organization, we are continually implementing initiatives to develop and train our human capital, including employee engagement and welfare initiatives, to ensure that we have the capabilities to deliver the highest service standards.

Further Enhance Operational Efficiency

In an effort to optimize the operating efficiency of the Airport, we have implemented several initiatives designed to manage costs while maintaining the quality of the airport experience. We intend to continue exploring and implementing similar initiatives in the future in order to improve our operational efficiencies, which we believe are already among the best in the airport industry. Examples of initiatives we have recently implemented that we intend to continue exploring in the future include the following:

- *Rationalizing energy consumption at the Airport*. The Airport has implemented various energy saving measures as part of its environmental sustainability management. The Airport has been designed with this energy conservation objective through the establishment of environment-friendly infrastructure like the LEED-certified passenger terminal building and energy efficient equipment and practices, including rainwater harvesting through a reservoir onsite. The Airport has also received the 5-Star Certification and the "Sword of Honor" from the British Safety Council. GHIAL has been operating the Airport by adopting best energy conservation practices with the involvement and support of the airport community. Further, we have commissioned a 10.0 MW solar power plant at the Airport which provides a portion of the Airport's energy requirements. These environmental-friendly practices have helped GHIAL to manage its carbon emissions and become a carbon neutral airport under the Airport Carbon Accreditation program. Our water conservation initiatives include two rainwater harvesting reservoirs we have built which are able to cater to Airport needs during dry seasons.

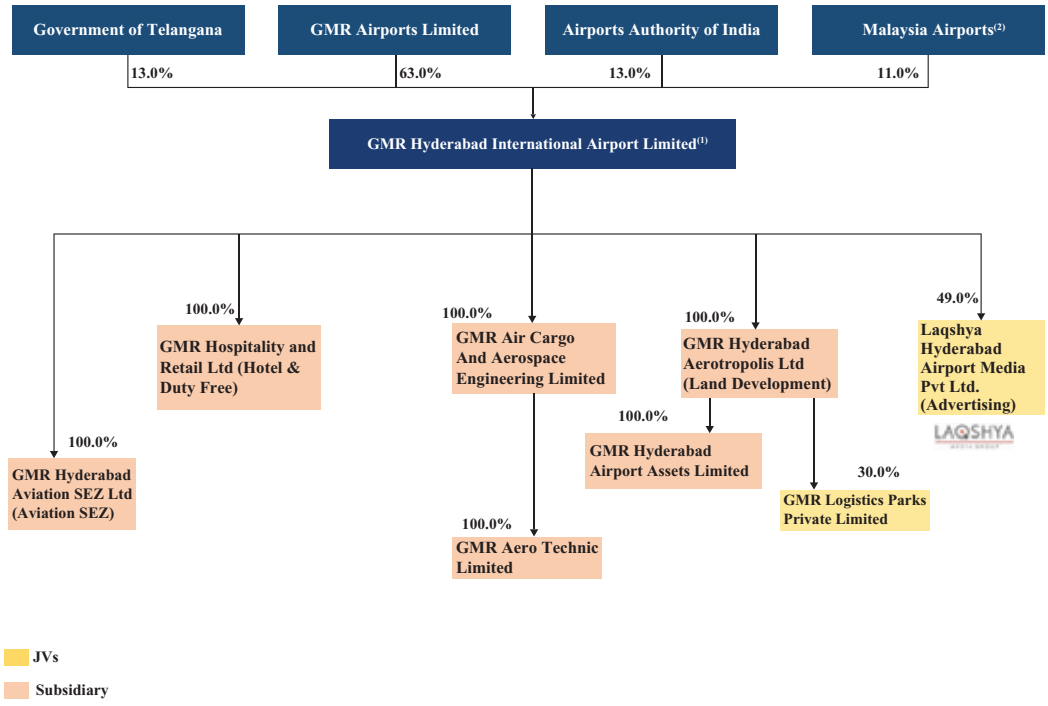
- *Improving air traffic movements and on-time performance*. We implemented certain recommendations such as reduction in runway occupancy time and inter-craft separation from an air traffic study we commissioned, which resulted in the increase of maximum ATMs per hour that we are able to handle from 30 in fiscal year 2012 to 36 in fiscal year 2020.

- *Maintaining effective headcount and controlling administrative expenses*. We are continuously assessing efficiency initiatives and targeting these measures to achieve economies of scale through the consolidation of our core corporate functions and administrative expenses. We will continue to analyze our headcount requirements as permitted by our operations in an effort to optimize efficiency without adversely affecting the airport experience.

- *Technological advancement*. Investment in technology has become an integral part of the Airport's operational strategy. Increased focus is given to embrace technology to offer smart solutions to the passengers to make the Airport technology and innovation driven. The Airport has been a pioneer in implementing the removal of hand-baggage tag stamping, express check-in and e-boarding for complete paperless travel in India. The Government of India is also keen on pursuing the "Digi Yatra" initiative which seeks to promote paperless and hassle-free air travel, and seamless and non-intrusive passenger-facing processes. We pioneered the elimination of hand baggage stamping initiative of MoCA before it gets rolled out across major airports in India. We also intend to introduce new technological solutions as part of the Current Expansion such as biometric face recognition, self-bag drop, Aviation Training Research Simulator ("ATRS"), e-boarding for international passengers and fast tag-based contactless car park, which we believe to be more cost effective and time efficient. We are the first airport in the country to successfully run trials of face recognition for end-to-end passenger processing under our Digi Yatra initiative. Currently, self bag drop trials are underway to promote self check-in service.

OUR CORPORATE STRUCTURE

The chart below sets forth the corporate structure and ownership of GHIAL and its operating subsidiaries and joint venture as at December 31, 2020.



(1) GMR Infrastructure Limited also holds a nominal number of shares in GHIAL.

(2) Malaysia Airports refers to MAHB Mauritius Private Limited. Malaysia Airports Holding Berhad also holds a nominal number of shares in GHIAL.

For further information about our subsidiaries and joint venture, see "Business—Subsidiaries and Joint Venture."

GENERAL INFORMATION

We were incorporated in India on December 17, 2002 as Hyderabad International Airport Limited and our name was changed to GMR Hyderabad International Airport Limited with effect from November 29, 2005. Our registered office is located at GMR Aero Towers, Rajiv Gandhi International Airport, Shamshabad, Hyderabad — 500108, Telangana, India. Our corporate headquarters is located at the same address. Our website is *www.hyderabad.aero*. Information contained on our website does not constitute part of this offering memorandum.

RECENT DEVELOPMENTS

COVID-19 Outbreak

The outbreak of COVID-19 was recognized as a pandemic by the World Health Organization ("WHO") on March 11, 2020. In response to the COVID-19 outbreak, the governments of many countries, including India, have taken preventative or protective actions, such as imposing country-wide lockdowns and restrictions on travel, goods, movement, transportation and business operations. The Government of India also imposed a country-wide lockdown from March 25, 2020, which extended until September 30, 2020 (with certain limited exceptions) to contain the spread of COVID-19. See "Risk Factors—Risks Related to Our Business—Any outbreaks of contagious diseases such as the recent outbreak of COVID-19 may have a material adverse effect on our business operations, financial condition and results of operations."

Impact on the Indian economy

Global restrictions to contain the spread of COVID-19 have had an adverse impact on global economic conditions, resulted in turmoil in the global markets which affects us and introduced new risks to our operations. According to the Asian Development Bank, growth in India is expected to remain subdued as a result of the pandemic. India's GDP fell 23.9% in the three months ended June 30, 2020 compared to the same period in 2019 and 7.5% in the three months ended September 30, 2020 compared to the same period in 2019. Measures to contain COVID-19, such as the country-wide lockdown in India as well as the weak global economic environment is expected to cause a further decline of India's GDP growth.

Impact on our operations

The entry restrictions, travel bans and quarantine measures implemented across the globe since the outbreak of COVID-19 have negatively impacted the aviation and travel industry causing a significant drop in our passenger and cargo traffic. The Government of India imposed a country-wide lockdown, with certain limited exceptions, from March 25, 2020 until September 30, 2020. However, restrictions on the operation of domestic flights were partially lifted from May 25, 2020, which is gradually ramping up in a phased manner in accordance with directives from the Government of India. As a result, our operations (including the duty free and hotel operations) were closed from March 25, 2020 to May 24, 2020 (except for cargo and evacuation and rescue flights for passengers), which materially impacted our business operations. For the six months ended September 30, 2020, total passenger traffic at the Airport was 1.9 million passengers compared to 10.9 million passengers for the same period in 2019, representing a decrease of 82.6%, while total cargo traffic at the Airport for the six months ended September 30, 2020 was 45,809 metric tons compared to 72,806 metric tons for the same period in 2019, representing a decrease of 37.1%. The reduced aviation traffic due to COVID-19 has also affected our non-aeronautical operations, including, among others, duty free and retail operations, food and beverages, land and space rentals, and others. Accordingly, the drop in our traffic throughput materially and negatively affected both our aeronautical and non-aeronautical revenue. Revenue from aeronautical services and

non-aeronautical services for the six months ended September 30, 2020 decreased by 82.7% and 51.8%, respectively, compared to the same period in 2019. We incurred losses of Rs. 2,050.3 million for the six months ended September 30, 2020 compared to a profit of Rs. 3,905.0 million for the same period in 2019, and we expect that we will incur losses for the full fiscal year ended March 30, 2021. For the months of April and May 2020, we waived the rental payments payable by certain of our airport concessionaires, primarily the ground handling agencies, flight kitchen operators, airline officers and other retail concessionaires due to the lockdown and non-operation of the Airport during such period. See "Management's Discussion and Analysis of Financial Condition and Results of Operations." Our MRO and air cargo businesses have been affected to a relatively lesser extent from a demand point of view as the demand for MRO has increased due to downtime of aircrafts, and the air cargo business was classified as essential services. However, we encountered some issues relating to non-availability of manpower and supply chain disruptions to meet such demand.

Currently, only Vande Bharat Mission flights and flights under flight bubble arrangements are operating internationally with limited frequency. Vande Bharat Mission flights are not on a recurring schedule but are special one-off flights arranged by the Government of India for evacuation and rescue. Flight bubble arrangements are bilateral agreements between countries to allow a certain mutually agreed number of scheduled flights to operate between the countries. As of September 30, 2020, flight bubble arrangements were in place between India and a number of countries, namely, Afghanistan, Bahrain, Bhutan, Canada, France, Germany, Iraq, Japan, Kenya, the Maldives, Nigeria, Qatar, the UAE, the UK and the USA. While we have seen a gradual recovery of domestic traffic at the Airport, we expect that it will take longer for international traffic to start recovering. For the nine months ended December 31, 2020, total passenger traffic at the Airport was 4.7 million compared to 16.9 million for the same period in 2019, representing a 72.2% decrease. Total domestic passenger traffic at the Airport for the nine months ended December 31, 2020 was 4.4 million compared to 13.8 million for the same period in 2019, representing a decrease of 68.1%, while international passenger traffic at the Airport for the nine months ended December 31, 2020 was 0.3 million compared to 3.1 million for the same period in 2019, representing a decrease of 90.3%. Our cargo flights were allowed to operate during the country-wide lockdown in India, however, we still experienced a decline in the cargo traffic volume. For the nine months ended December 31, 2020, total cargo traffic at the Airport was 79,290 metric tons compared to 112,020 metric tons for the same period in 2019, representing a 29.2% decrease.

As of the date of this offering memorandum, the impact of COVID-19 continues to adversely impact the aviation and travel industry, and accordingly our business, financial condition and results of operations continue to be adversely affected. While we expect to passenger and cargo traffic to gradually increase as travel bans and quarantine restrictions are lifted, we expect to see the impact of COVID-19 on our financial statements for subsequent periods. If the current material reduction in demand for air travel globally arising from the COVID-19 were to persist, then slower passenger and air cargo growth rates will continue to adversely impact our operations and financial condition. However, given the rapidly changing implications of the spread of COVID-19, the extent to which the current COVID-19 pandemic will impact our operations and revenues is currently unknown and will depend on future developments, such as the scope, severity and duration of the pandemic, the actions to contain COVID-19 or minimize its impact, and the direct and indirect economic impact of the illness and containment measures, among others, which are highly uncertain and cannot be predicted with confidence.

Concession Fee Payment

Under the terms of the Concession Agreement, we are required to pay a concession fee equivalent to 4.0% of our gross revenue annually to the Government of India. We agreed with the Government of India to defer payment of the annual concession fee in respect of the first 10 fiscal years after the Airport Opening Date to the 11th fiscal year after the Airport Opening Date, to be paid in 20 equal half-yearly instalments, which we started

paying since June 30, 2018. As we were incurring operational cash losses during the first half of the current fiscal year due to COVID-19 related factors, in order to preserve our liquidity, we had requested the Government of India for an extension of time for payment of the concession fee that was due and payable between June 2020 to December 2020 for a period of two years. The Government of India initially granted an extension for payment until December 31, 2020. We have not yet paid the concession fee. It will be an event of default under the Concession Agreement if any sum due and payable thereunder is not paid within thirty days of a request from the Government of India. However, the Government of India has not made any request for the payment as we are still in discussions with the Government of India regarding our request for a two year extension. If the Government of India does not grant such request, we will be required to pay a concession fee in the amount of Rs. 880.0 million which will adversely impact our financial condition and cash flows. See "Risk Factors—Risks Related to Our Business—We may not be able to generate sufficient cash flows to meet our debt service obligations", "Risk Factors—Risks Related to Our Business—Our concession fee payable to the Government of India may be higher as a result of, inter alia, the adoption of Ind-AS. We have not yet paid our concession fee that was due on December 31, 2020 as we are in discussions with the Government of India regarding an extension of time for payment due to COVID-19" and "Business—Our Concession—Concession Agreement" for further details.

SUMMARY OF THE OFFERING

The following is a brief summary of the terms of this offering and is qualified in its entirety by the remainder of this offering memorandum. For a detailed description of the Notes, see the section entitled "Description of the Notes." The terms and conditions of the Notes prevail to the extent of any inconsistency with the summary set forth in this section. This summary is not intended to be complete and does not contain all of the information that is important to an investor. Phrases used in this summary and not otherwise defined shall have the meanings given to them in "Description of the Notes."

Issuer	GMR Hyderabad International Airport Limited
Notes	US$300,000,000 aggregate principal amount of 4.75% Senior Secured Notes due February 2, 2026.
Maturity Date	February 2, 2026.
Interest	The Notes will bear interest from and including the issue date of the Notes at the rate of 4.75% per annum, payable semi-annually in arrears.
Interest Payment Dates	February 2 and August 2 of each year, commencing August 2, 2021.
Ranking of the Notes	The Notes are: • general obligations of the Company; • senior in right of payment to any future obligations of the Company expressly subordinated in right of payment to the Notes; • at least pari passu in right of payment with all other unsecured, unsubordinated obligations of the Company (subject to any priority rights of such Indebtedness pursuant to applicable law); • guaranteed by the Future Subsidiary Guarantors on a senior basis, subject to the limitations described below under "—The Subsidiary Guarantees" and in "Risk Factors — Risks Related to the Notes and the Collateral—Noteholder claims against non-guarantor subsidiaries will be structurally subordinated to the liabilities of such subsidiaries"; • secured on an equal and ratable basis with all obligations of the Company under the Existing Notes, existing hedging arrangements, working capital facilities and all future Permitted Pari Passu Secured Indebtedness and Permitted Refinancing Indebtedness by first ranking Liens on the Collateral (as defined below under the Caption "—Security") provided by the Company (subject to Permitted Liens and the Intercreditor Agreement);

	• effectively senior in right of payment to unsecured obligations of the Company with respect to the value of the Collateral over which the Company has created security for the Notes (subject to any priority rights of such obligations pursuant to applicable law); and • effectively subordinated to all existing and future obligations of the Company that are secured by assets other than the Collateral to the extent of the value of such assets and to all existing and future liabilities of the Company's subsidiaries that do not guarantee the Notes.
Security	The obligations of the Company under the Notes will be secured by first-priority Liens (subject to Permitted Liens) on certain collateral (the "Collateral"), which shall initially consist of, to the extent permitted under the Concession Agreement: • a first ranking pari passu mortgage and/or charge over (a) the Company's leasehold rights, title and interest in respect of 2,136 acres and 18 guntas of land leased to the Company under the Land Lease Agreement and the Company's freehold rights, title and interest in respect of 8.824 acres of land purchased by the Company *vide* the Sale Deed, together with all buildings and structures thereon and (b) the movable assets of the Company, present and future, including all movable machinery, machinery spares, tools, accessories, furniture, fixtures, vehicles, intangible assets (including goodwill, trademarks and patents) of whatsoever nature and wherever arising, excluding the Capital Stock of the Company's Subsidiaries and joint ventures and any assets of the Company acquired with Indebtedness incurred under clause (2)(g) under "Description of the Notes—Certain Covenants—Limitation on Indebtedness"; • a first ranking pari passu charge of all insurance contracts, contractors' guarantees and liquidated damages payable by the contractors; • a first ranking pari passu charge of all the rights, titles, permits, approvals and interests of the Company in, to and in respect of the Project Agreements to the maximum extent permitted under the Project Agreements and the Concession Agreement; • a first ranking pari passu floating charge on all the operating revenues/receivables of the Company, subject to the provisions of the Concession Agreement and excluding passenger service fees (security component) and airport development fees (and similar pass through revenues and receivables) and any revenues/receivables over which a Lien is not permitted under applicable law; and

	• a first ranking pari passu floating charge on all the Company's accounts and each of the other accounts opened/created and/or required to be opened/created by the Company pursuant to the Security Documents (excluding any Excluded Accounts) and, including in each case, all monies lying credited/deposited into such accounts.
Use of Proceeds	The gross proceeds from this offering will be US$300,000,000. We intend to use the gross proceeds of the offering of the Notes to finance part of the capital expenditures with respect to the Master Plan as part of the Current Expansion in accordance with applicable law, including the ECB Guidelines. See "Use of Proceeds."
Repurchase of Notes upon a Change of Control	Not later than 30 days following a Change of Control Triggering Event, the Company, subject to the ECB Guidelines, will make an offer to repurchase all outstanding Notes at a purchase price equal to 101% of their principal amount plus accrued and unpaid interest, if any, to the Offer to Purchase Payment Date. Any redemption of the Notes prior to their stated maturity will require the prior approval of RBI or the designated authorized dealer bank, as the case may be, under the ECB Guidelines. Such approval may not be forthcoming.
Withholding Tax; Additional Amounts	Payments with respect to the Notes will be made without withholding or deduction for taxes imposed by the jurisdictions in which the Company is incorporated or resident for tax purposes, doing business, otherwise subject to the power to tax or through which payment is made except as required by law. Where such withholding or deduction is required by law, the Company will make such deduction or withholding and will, subject to certain exceptions, pay such additional amounts as will result in receipt by the Holder of such amounts as would have been received by such Holder had no such withholding or deduction been required. See "Description of the Notes—Additional Amounts."
Redemption for Taxation Reasons	Subject to certain exceptions and as more fully described herein, the Company may redeem the Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest, if any, to the date fixed by the Company for redemption, if, as a result of certain changes in tax law, the Company would be required to pay certain additional amounts; provided that where the additional amounts are payable as a result of changes affecting Indian taxes, the Notes may be redeemed only in the event that the withholding tax rate exceeds 5%. Any redemption of the Notes prior to their stated maturity will require the prior approval of RBI or the designated authorized dealer bank, as the case may be, under the ECB Guidelines. Such approval may not be forthcoming.

Covenants	The Indenture will limit the ability of Company and the Restricted Subsidiaries to, among other things: • incur additional Indebtedness and issue preferred stock; • make investments or other specified Restricted Payments; • enter into agreements that restrict the Restricted Subsidiaries' ability to pay dividends and transfer assets or make inter-company loans; • issue or sell Capital Stock of Restricted Subsidiaries; • issue guarantees by Restricted Subsidiaries; • enter into transactions with shareholders or affiliates; • create any Lien; • enter into Sale and Leaseback Transactions; • sell assets; • engage in different business activities; and • effect a consolidation or merger. These covenants are subject to a number of important qualifications and exceptions described in "Description of the Notes—Certain Covenants."
Selling and Transfer Restrictions	We have not registered the Notes under the Securities Act or any state or other securities laws. The Notes are subject to restrictions on transfer and may only be offered or sold in transactions exempt from, or not subject to, the registration requirements of the Securities Act. See "Transfer Restrictions."
Form, Denomination and Registration	The Notes will be issued only in fully registered form, without coupons, in minimum denominations of US$200,000 and integral multiples of US$1,000 in excess thereof. Upon issue, the Regulation S Global Notes will be initially represented by the Unrestricted Global Certificate and the Rule 144A Notes will initially be represented by the Restricted Global Certificate, each in registered form. On the Original Issue Date, both the Restricted Global Certificate and the Unrestricted Global Certificate will be deposited with a custodian for, and registered in the name of Cede & Co., as nominee of DTC.

Delivery of the Notes	The Company expects to make delivery of the Notes, against payment in same-day funds, on or about February 2, 2021, which the Company expects will be the fifth business day following the date of this offering memorandum, referred to as T+5. You should note that initial trading of the Notes may be affected by the T+5 settlement. See "Plan of Distribution."
Intercreditor Agreement	The intercreditor agreement dated October 27, 2017 between the Trustee and the Security Trustee for the 2027 Notes, as may be amended and/or acceded to by the Trustee (on behalf of Holders) (as may be amended and/or acceded to from time to time, the "Intercreditor Agreement"). See "Description of the Notes—Security—Intercreditor Agreement."
Security Trustee	IDBI Trusteeship Services Limited
Trustee	HSBC Bank USA, National Association
Paying Agent and Registrar	HSBC Bank USA, National Association
144A Global Note	ISIN: US36256WAC82 CUSIP: 36256W AC8 Common Code: 229281569
Regulation S Global Note	ISIN: USY3004WAC65 CUSIP: Y3004W AC6 Common Code: 229281577
Ratings	The Notes are expected to be rated "Ba2" by Moody's Investors Service Inc. ("Moody's") and "BB+" by Fitch Ratings Ltd. ("Fitch"). A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.
Listing	Application will be made for the listing and quotation of the Notes on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Approval in-principle for the listing and quotation of the Notes on the SGX-ST is not to be taken as an indication of the merits of the offering, the Company or associated companies or the Notes. The Notes will be traded on the SGX-ST in a minimum board lot size of US$200,000 for so long as the Notes are listed on the SGX-ST.

Governing Law	The Notes and the Indenture will be governed by and will be construed in accordance with the laws of the State of New York. The Security Documents and the Intercreditor Agreement will be governed by the laws of the Republic of India.
Risk Factors	For a discussion of certain factors that should be considered in evaluating an investment in the Notes, see "Risk Factors."

SUMMARY FINANCIAL AND OTHER DATA

You should read the summary financial and other data below, together with the financial statements and related notes thereto appearing elsewhere in this offering memorandum, as well as "Presentation of Financial Information," "Selected Financial and Other Data," and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the other financial information included elsewhere in this offering memorandum.

In this section, unless otherwise stated, the financial information presented with respect to the six month periods September 30, 2020 and 2019 and the fiscal years ended March 31, 2020, 2019 and 2018 has been derived from the respective financial statements, prepared and presented under Ind-AS on a consolidated basis, which are included elsewhere in this offering memorandum. S. R. Batliboi & Associates LLP and K. S. Rao & Co., independent auditors, have jointly audited our consolidated financial statements for the fiscal years ended March 31, 2019 and 2018. Walker Chandiok & Co LLP and K. S. Rao & Co., independent auditors, have jointly audited our consolidated financial statements for the fiscal year ended March 31, 2020 and have jointly reviewed our interim consolidated financial statements for the six months ended September 30, 2020 and 2019. The joint review and audit reports on certain of the above financial statements underlying the financial information presented in this offering memorandum contain certain qualification(s) and/or emphasis of matters. See "Presentation of Financial Information" and "Risk Factors—Risks Related to our Business—The joint review and audit reports from our independent joint auditors in respect of our consolidated financial statements contain certain qualification(s) and/or emphasis of matters" for further details.

Total revenue as presented in this offering memorandum for the six months ended September 30, 2020 and 2019 and the fiscal years ended March 31, 2020, 2019 and 2018 represents the aggregate of (i) revenue from contracts with customers and (ii) other income (including finance income). For the fiscal years ended March 31, 2019 and 2018, finance income was disclosed separately in the audited consolidated financial statements and has been grouped with other income in this offering memorandum to maintain consistency with the disclosures of the fiscal year March 31, 2020.

Our consolidated financial statements as at and for the six months ended September 30, 2020 and 2019 and as at and for the years ended March 31, 2020, 2019 and 2018 have been prepared under Ind-AS. Ind-AS may differ in material respects from generally accepted accounting principles in other jurisdictions. See "Risk Factors—Risks Related to India—Indian accounting principles differ from those which prospective investors may be familiar with in other countries" for further details. Ind-AS differs in certain respects from IFRS. See "Summary of Certain Significant Differences Between Ind-AS and IFRS" for further details.

Summary Profit and Loss Account

	Six Months Ended September 30			Fiscal Year Ended March 31,			
	2020		2019	2020		2019	2018
	(US$ in millions)	(Rs. in millions)		(US$ in millions)	(Rs. in millions)		
Incomes							
Revenue from contracts with customers	39.5	2,914.3	10,135.6	272.7	20,124.7	18,760.5	15,934.8
Other income (including finance income)	12.4	913.0	577.2	16.6	1,225.5	1,260.5	1,591.9
Total income/Revenue	**51.9**	**3,827.3**	**10,712.8**	**289.3**	**21,350.2**	**20,021.0**	**17,526.7**
Expenses							
Concession fee	1.1	83.3	327.8	9.3	685.0	615.3	529.5
Purchase of traded goods	0.1	4.2	384.5	11.2	829.2	596.5	478.4
Changes in inventory of traded goods	0.3	21.7	(76.2)	(2.1)	(156.3)	18.2	(7.1)
Employee benefits expense	15.0	1,108.9	1,089.5	30.6	2,255.0	1,919.1	1,471.2
Finance costs	18.7	1,378.8	1,306.4	38.8	2,866.3	2,487.5	2,581.2
Depreciation and amortization expenses	15.9	1,175.3	1,044.9	29.3	2,164.9	1,810.4	2,359.3
Other expenses	28.5	2,106.3	2,528.8	75.2	5,548.8	4,830.4	3,931.7
Total expenses	**79.7**	**5,878.5**	**6,605.7**	**192.3**	**14,192.9**	**12,277.4**	**11,344.2**
(Loss)/Profit before share of profit in joint venture and tax	**(27.8)**	**(2,051.2)**	**4,107.1**	**97.0**	**7,157.3**	**7,743.6**	**6,182.5**
Share of profit in joint venture	(0.1)	(4.0)	18.8	0.6	45.0	37.6	40.3
(Loss)/Profit before tax	**(27.8)**	**(2,055.2)**	**4,125.9**	**97.6**	**7,202.3**	**7,781.2**	**6,222.8**
Tax expense							
Current tax—Minimum Alternate tax	0.0	0.0	662.4	16.0	1,182.0	1,687.0	1,373.9
Deferred tax							
Deferred tax expense/ (credit)	(0.1)	(8.3)	(150.4)	(1.0)	(74.3)	153.4	56.1
Minimum alternate tax credit entitlement	0.0	3.4	(291.1)	(7.0)	(517.0)	(1,363.1)	(1,011.4)
Total tax expense	**(0.1)**	**(4.9)**	**220.9**	**8.0**	**590.7**	**477.3**	**418.6**
(Loss)/Profit for the year	**(27.8)**	**(2,050.3)**	**3,905.0**	**89.6**	**6,611.6**	**7,303.9**	**5,804.2**
Other comprehensive income							
Items that will not be reclassified to profit or loss							
Re-measurement losses on defined benefit plans	(0.0)	(2.2)	(16.4)	(0.3)	(19.1)	(11.3)	(1.8)
Share of other comprehensive income in joint venture	(0.0)	(0.3)	0.0	0.0	0.2	(0.4)	0.0
Income tax relating to items that will not be reclassified to profit or loss	0.0	0.0	0.5	0.0	1.8	0.8	0.0
Items that will be reclassified to profit or loss							
Cash flow hedge reserve	0.8	59.7	1,400.1	26.4	1,951.2	340.2	147.4
Income tax relating to items that will be reclassified to profit or loss	(1.1)	(82.4)	(180.5)	(8.4)	(617.8)	(170.4)	0.0
Total Other Comprehensive (Loss)/income for the period	**(0.3)**	**(25.2)**	**1,203.7**	**17.8**	**1,316.3**	**158.9**	**145.6**
Total comprehensive (Loss)/income for the period, net of tax	**(28.1)**	**(2,075.5)**	**5,108.7**	**107.4**	**7,927.9**	**7,462.8**	**5,949.8**
Profit attributable to							
Equity holders of the parent	(27.8)	(2,050.3)	3,905.0	89.6	6,611.6	7,240.0	5,656.3
Non-controlling interest	0.0	0.0	0.0	0.0	0.0	63.9	147.9
Other comprehensive income attributable to							
Equity holders of the parent	(0.3)	(25.2)	1,203.7	17.8	1,316.3	159.4	145.8
Non-controlling interest	0.0	0.0	0.0	0.0	0.0	(0.5)	0.2
Total comprehensive income attributable to							
Equity holders of the parent	(28.1)	(2,075.5)	5,108.7	107.4	7,927.9	7,399.4	5,802.1
Non-controlling interest	0.0	0.0	0.0	0.0	0.0	63.4	147.7
Earnings per equity share							
Basic and diluted (in absolute USD/Rs.)	(0.07)	(5.42)	10.33	0.24	17.49	19.15	14.96

Summary Balance Sheet Data	As at September 30, 2020		As at March 31, 2020		2019	2018
	(US$ in millions)	(Rs. in millions)	(US$ in millions)	(Rs. in millions)		
ASSETS						
Non-current assets						
Property, plant and equipment	354.9	26,193.0	366.9	27,078.6	24,641.0	19,869.6
Capital work-in-progress	232.1	17,126.3	180.9	13,352.6	4,361.2	3,478.6
Right of use asset	10.4	767.0	10.1	744.7	0.0	0.0
Intangible assets	12.0	885.0	8.4	619.2	564.2	569.0
Intangible assets under development	0.3	20.3	0.2	12.4	12.5	12.1
Investment in joint venture	4.9	359.2	2.6	192.5	147.5	110.2
Financial assets						
- Loans	2.6	189.9	2.4	173.7	16.0	0.0
- Bank balances other than cash and cash equivalents	0.0	0.0	0.0	0.0	6.2	15.3
- Other non- current financial assets	101.3	7,478.6	117.2	8,650.0	2,591.9	830.4
Non-current tax assets	6.8	499.6	7.0	518.8	289.6	240.6
Deferred tax asset (net)	32.9	2,429.3	34.3	2,528.3	4,057.1	2,694.0
Other non-current assets	109.0	8,042.6	100.2	7,393.0	5,545.8	949.9
	867.1	**63,990.8**	**830.2**	**61,263.8**	**42,233.0**	**28,769.7**
Current assets						
Inventories	13.5	995.7	11.1	818.5	561.8	568.6
Contract assets	0.0	0.0	0.0	0.0	104.8	0.0
Financial assets						
- Investments	93.1	6,871.4	168.2	12,411.0	4,827.6	9,410.8
- Trade receivables	16.5	1,220.2	24.2	1,787.7	1,805.5	1,294.7
- Cash and cash equivalents	57.1	4,211.2	36.7	2,709.8	3,950.8	5,985.5
- Bank balances other than cash and cash equivalents	56.8	4,188.9	92.3	6,809.3	1,150.5	713.8
- Loans	29.0	2,138.6	29.4	2,171.3	517.0	27.3
- Other current financial assets	22.4	1,656.1	20.0	1,476.3	182.2	189.3
Current tax assets	0.0	0.0	0.2	17.1	171.1	154.5
Other current assets	10.3	758.6	7.5	553.3	189.8	114.5
	298.7	**22,040.7**	**389.6**	**28,754.3**	**13,461.1**	**18,459.0**
Asset held for sale	**0.0**	**0.0**	**7.9**	**584.5**	**0.0**	**0.0**
Total Assets	**1,165.8**	**86,031.5**	**1,227.7**	**90,602.6**	**55,694.1**	**47,228.7**
EQUITY AND LIABILITIES						
EQUITY						
Equity share capital	51.2	3,780.0	51.2	3,780.0	3,780.0	3,780.0
Other equity						
- Capital reserve	14.5	1,070.0	14.5	1,070.0	1,070.0	1,070.0
- Retained earnings	136.7	10,090.1	164.5	12,142.9	6,684.3	1,485.6
- Cash flow hedge reserve	22.1	1,627.9	22.4	1,650.6	317.2	147.4
Equity attributable to equity holders of the parent	**224.5**	**16,568.0**	**252.6**	**18,643.5**	**11,851.5**	**6,483.0**
Non-controlling interests	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**582.7**
Total Equity	**224.5**	**16,568.0**	**252.6**	**18,643.5**	**11,851.5**	**7,065.7**
LIABILITIES						
Non-current liabilities						
Contract Liabilities	0.0	0.0	0.0	0.0	413.1	0.0
Financial liabilities						
- Borrowings	753.3	55,594.2	770.5	56,858.1	31,765.3	30,458.4
- Lease liabilities	11.6	858.2	11.3	830.5	0.0	0.0
- Other financial liabilities	31.6	2,331.2	31.2	2,299.2	2,460.9	2,416.7
Government grants	4.5	329.5	4.8	355.9	408.7	461.3
Long term provisions	0.5	40.1	0.2	14.7	13.6	16.5
Deferred tax liability (net)	0.7	49.9	0.9	65.4	1,582.3	1,259.3
Other non-current liabilities	12.7	935.2	9.3	684.3	223.2	670.6
	814.9	**60,138.3**	**828.0**	**61,108.1**	**36,867.1**	**35,282.8**
Current liabilities						
Contract Liabilities	0.0	0.0	0.0	0.0	42.6	0.0
Financial Liabilities						
- Borrowings	7.5	555.6	2.7	199.2	280.0	280.0
- Trade payables						
- Total outstanding dues of micro and small enterprises	1.7	127.0	1.6	115.8	7.0	0.0
- Total outstanding dues of creditors other than micro and small enterprises	22.5	1,657.8	21.3	1,571.7	1,332.6	1,365.1
- Other financial liabilities	79.7	5,885.1	99.1	7,316.0	4,225.5	2,399.0
Government grants	0.7	52.7	0.7	52.7	52.7	52.7
Other current liabilities	6.9	511.3	8.0	593.5	485.2	422.7
Short term provisions	3.1	228.5	3.1	229.9	182.5	126.6
Current tax liability (net)	4.2	307.2	4.9	358.7	367.4	234.1
	126.4	**9,325.2**	**141.4**	**10,437.5**	**6,975.5**	**4,880.2**
Liabilities Classified as held for sale	**0.0**	**0.0**	**5.6**	**413.5**	**0.0**	**0.0**
Total liabilities	**941.3**	**69,463.5**	**975.1**	**71,959.1**	**43,842.6**	**40,163.0**
Total Equity and Liabilities	**1,165.8**	**86,031.5**	**1,227.7**	**90,602.6**	**55,694.1**	**47,228.7**

Cash Flow Statement Data	Six months ended September 30,			Year ended March 31,			
	2020		2019	2020		2019	2018
	(US$ in millions)	(Rs. in millions)		(US$ in millions)	(Rs. in millions)		
Net cash flow from operating activities	(6.9)	(512.2)	3,734.7	108.6	8,014.6	9,161.4	9,827.2
Net cash flow used in investing activities	54.8	4,041.8	(22,204.1)	(325.3)	(24,009.2)	(6,167.3)	(7,941.6)
Net cash flow used in financing activities	(27.5)	(2,029.2)	18,435.1	207.8	15,337.4	(5,028.3)	822.9

Other Financial Data	Six months ended September 30,		Year ended March 31,		
	2020	2019	2020	2019	2018
Capital expenditures (Purchase of property, plant and equipment including capital work in progress , capital advances and intangible assets) (in Rs. millions)[2]	5,340.9	4,539.8	10,924.0	10,289.5	3,397.2
Adjusted EBITDA[3]/Total revenue (%)	(7.7)%	56.0%	52.3%	55.4%	57.4%
Total Indebtedness[4]/Adjusted EBITDA[3]	—	—	5.3	3.0	3.1
Net Indebtedness[5]/Adjusted EBITDA[3]	—	—	3.3	2.1	1.5
Profit/(loss) before tax/Total revenue (%)	(53.7)%	38.5%	33.7%	38.9%	35.5%

(1) A significant portion of our revenues are earned from aeronautical services, and the aeronautical service fees we charge to airlines, passengers and other users for such services are regulated by AERA in accordance with the AERA Act, 2008 and our Concession Agreement. Any adverse change in AERA's determinations of our aeronautical charges would have a material and adverse effect on our results of operations. See "Risk Factors—Risks Related to Our Business—The fees we charge for aeronautical services—which comprise a significant portion of our revenues—are regulated by the Government of India, through AERA, in accordance with the terms of our Concession Agreement. Accordingly, government regulations and the terms of our Concession Agreement have materially affected our historical results of operations, cash flows and financial condition, and will continue to affect our future results of operations, cash flows and financial condition, which could be materially and adversely affected by the to-be-announced rate determinations for our aeronautical services. Further, the 2020 AERA Order is effective for the second control period, which has lead to a substantial drop in revenues and has negatively impacted our results of operations" and "Indian Regulatory Environment—The Airports Economic Regulatory Authority of India Act, 2008" for further details.

(2) See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Capital expenditures" for historical information regarding our capital expenditures.

(3) Adjusted EBITDA is calculated as earnings before interest (including certain items in the nature of finance income), tax expense, depreciation and amortization and share of profit of joint ventures. Adjusted EBITDA is a supplemental measure of our performance and liquidity, and although Adjusted EBITDA is a widely used financial indicators of a company's ability to service and incur debt, we caution you that Adjusted EBITDA should not be considered in isolation or construed as an alternative to cash flows, net income or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating activities. Below is a reconciliation of profit/loss for the year/period to Adjusted EBITDA:

	Six months ended September 30,			Year ended March 31,			
	2020		2019	2020		2019	2018
	(US$ in millions)	(Rs. in millions)		(US$ in millions)	(Rs. in millions)		
Profit/(Loss) for the year/period	(27.8)	(2,050.3)	3,905.0	89.6	6,611.6	7,303.9	5,804.2
Add:							
Finance costs	**18.7**	**1,378.8**	**1,306.4**	**38.8**	**2,866.3**	**2,487.5**	**2,581.2**
Tax expense							
Current tax — minimum alternate tax		0.0	662.4	16.0	1,182.0	1,687.0	1,373.9
Deferred tax expense	(0.1)	(8.3)	(150.4)	(1.0)	(74.3)	153.4	56.1
Minimum alternate tax credit entitlement	0.0	3.4	(291.1)	(7.0)	(517.0)	(1,363.1)	(1,011.4)
Total tax expense	**(0.1)**	**(4.9)**	**220.9**	**8.0**	**590.7**	**477.3**	**418.6**
Depreciation and amortization expenses	**15.9**	**1,175.3**	**1,044.9**	**29.3**	**2,164.9**	**1,810.4**	**2,359.3**
Less:							
Finance Income							
Interest on financial assets at amortised cost							
Bank deposits	0.7	48.1	168.4	3.6	267.5	276.9	364.2
Loan to joint venture	0.0	0.0	0.0	0.0	0.3	4.1	14.7
Others	9.7	713.2	217.9	7.6	559.2	234.4	109.4
Gain on sale of financial assets (mutual funds)	0.5	35.7	70.5	2.5	185.7	436.0	208.2
Gain on fair valuation of financial assets (mutual funds)	—	0.0	5.8	0.0	0.0	1.0	106.9
Interest on interest rate swap arrangement		0.0	0.0	0.0	0.0	0.0	135.3
Gain on fair valuation of interest rate swap	—	0.0	0.0	0.0	0.0	0.0	119.2
Share of profit in joint ventures	**(0.1)**	**(4.0)**	**18.8**	**0.6**	**45.0**	**37.6**	**40.3**
Adjusted EBITDA	**(4.1)**	**(294.1)**	**5,995.8**	**151.4**	**11,175.8**	**11,089.1**	**10,065.1**

(4) Total Indebtedness represents (i) non-current borrowings (included in financial liabilities), (ii) short-term borrowings (included in financial liabilities), (iii) current maturities of long-term borrowings (included in other financial liabilities) and (iv) interest accrued but not due on borrowings (included in other financial liabilities). Below is a calculation of total indebtedness for the periods presented:

	Six months ended September 30,			Year ended March 31,			
	2020		2019	2020		2019	2018
	(US$ in millions)	(Rs. in millions)		(US$ in millions)	(Rs. in millions)		
Non-current borrowings (included in financial liabilities)	753.3	55,594.2	53,342.3	770.5	56,858.1	31,765.3	30,458.4
Short-term borrowings (included in financial liabilities)	7.5	555.6	197.3	2.7	199.2	280.0	280.0
Current maturities of long-term borrowings (included in other financial liabilities)	2.3	168.9	52.8	1.0	75.9	70.3	59.3
Interest accrued but not due on borrowings (included in other financial liabilities)	22.6	1,665.2	1,686.3	23.0	1,696.3	861.1	849.7
Total Indebtedness	**785.7**	**57,983.9**	**55,278.7**	**797.2**	**58,829.5**	**32,976.7**	**31,647.4**

(5) Net Indebtedness represents (a) (i) Total Indebtedness, less (b) (i) cash and cash equivalents (included in current assets), (ii) bank balances other than cash and cash equivalents (included in current assets), (iii) bank balances other than cash and cash equivalents (included in non-current assets) and (iv) current investments (included in financial assets). Below is a calculation of net indebtedness for the periods presented:

	As at September 30,			As at March 31,			
	2020		2019	2020		2019	2018
	(US$ in millions)	(Rs. in millions)		(US$ in millions)	(Rs. in millions)		
Total Indebtedness	785.7	57,983.9	55,278.7	797.2	58,829.5	32,976.7	31,647.4
Less:							
Cash and cash equivalents (included in current assets)	57.1	4,211.2	3,916.3	36.7	2,709.8	3,950.8	5,985.5
Bank balances other than cash and cash equivalents (included in current assets)	56.8	4,188.9	16,880.4	92.3	6,809.3	1,150.5	713.8
Bank balances other than cash and cash equivalents (included in non-current assets)	0.0	0.0	0.0	0.0	0.0	6.2	15.3
Current investments (included in financial assets)	93.1	6,871.4	7,393.7	168.2	12,411	4,827.6	9,410.8
Net Indebtedness	**578.8**	**42,712.4**	**27,088.3**	**500.0**	**36,899.4**	**23,041.6**	**15,522.0**

	Six months ended September 30,		Year ended March 31,		
	2020	2019	2020	2019	2018
Operating Data					
Total passengers (in millions of persons)	**1.9**	**10.9**	**21.6**	**21.4**	**18.2**
International	0.1	2.0	3.9	4.0	3.7
Domestic	1.8	8.8	17.7	17.4	14.5
Total air traffic movements	**24,725**	**89,908**	**183,450**	**179,606**	**149,581**
International	2,496	12,977	25,759	25,885	24,795
Domestic	22,229	76,931	157,691	153,721	124,786
Total cargo (in metric tons)	**45,809**	**72,806**	**166,425**	**144,126**	**134,141**
International	28,531	42,255	82,471	83,954	79,177
Domestic	17,278	30,551	83,954	60,172	54,964

RISK FACTORS

Investing in the Notes involves significant risk. Prospective purchasers of the Notes should consider carefully all of the information in this offering memorandum, including, in particular, the risk factors discussed below. In addition, other risks and uncertainties not currently known to us or that we currently deem immaterial may also materially and adversely affect our business, financial condition, cash flow and results of operations. If any of the following risks actually occur, our business, results of operations, cash flow, financial condition and prospects could be materially and adversely affected. This could, in turn, affect adversely our ability to make payments on the Notes offered hereby.

Risks Related to Our Business

Any outbreaks of contagious diseases such as the outbreak of COVID-19 may have a material adverse effect on our business operations, financial condition and results of operations. The COVID-19 pandemic has had a material, negative impact on our business operations, financial condition and results of operations and there is uncertainty as to how and how long it will continue to do so.

The outbreak of COVID-19 has spread rapidly and globally across multiple countries around the world. The outbreak of contagious diseases such as COVID-19, the H1N1 virus (Swine Flu), H7N9 strain of flu (Avian Flu) could be severe and widespread and may result in protracted volatility in international markets and/ or result in a global or local recession or depression as a consequence of disruptions to travel and retail segments, tourism and manufacturing supply chains. In particular, since February 2020, the COVID-19 outbreak has caused stock markets worldwide to experience significant volatility and has impacted economic activity worldwide. COVID-19 poses a serious public health threat as the number of infected cases and fatalities continue to rise. On March 11, 2020, the World Health Organisation (the "WHO") declared the outbreak of COVID-19 to be a pandemic. A number of governments have revised GDP growth forecasts for 2020 downward in response to the economic slowdown caused by the spread of COVID-19, and it is possible that the outbreak of COVID-19 will cause a prolonged global economic crisis, recession or depression despite monetary and fiscal interventions by governments and central banks globally. India's GDP fell 23.9% in the April to June 2020 financial quarter and 7.5% in the July to September 2020 financial quarter.

Concerns about the outbreak and rapid spread of such contagious diseases, including COVID-19, have caused governments to take measures to prevent the spread of the virus. The outbreak of COVID-19 has resulted in restrictions on travel and transportation, prolonged closures of workplaces, businesses and schools, with employees being asked to work from home and citizens being advised to stay at home, which has had a significant impact on our business operations and financial condition.

In particular, the entry restrictions, travel bans and quarantine measures implemented across the globe since the outbreak of COVID-19 have negatively impacted the aviation and travel industry causing a significant drop in our passenger and cargo traffic. In order to curtail the spread of COVID-19, the Government of India also imposed travel restrictions in relation to various countries and suspensions of certain visas. The Government of India also imposed a country-wide lockdown from March 25, 2020, which extended until September 30, 2020, with certain limited exceptions. As a result, our operations (including the duty free and hotel operations) were closed from March 25, 2020 to May 24, 2020 (except for cargo and evacuation and rescue flights), which materially impacted our business operations. Restrictions on the operation of domestic flights were partially lifted from May 25, 2020, and as a result the mix of our revenue shifted even more towards domestic flights, which are less profitable. For the six months ended September 30, 2020, total passenger traffic at the Airport was 1.9 million passengers compared to 10.9 million passengers for the same period in 2019, representing a decrease of 82.6%. Total domestic passenger traffic at the Airport for the six months ended September 30, 2020 was 1.8 million compared to 8.8 million for the same period in 2019, representing a decrease of 79.5%, while

international passenger traffic at the Airport for the six months ended September 30, 2020 was 0.1 million compared to 2.0 million for the same period in 2019, representing a decrease of 95.0%. Total cargo traffic at the Airport for the six months ended September 30, 2020 was 45,809 metric tons compared to 72,806 metric tons for the same period in 2019, representing a decrease of 37.1%. Air travel demand remained weak as a result of the continuation of India's entry restrictions for non-residents, as well as immigration restrictions and quarantine measures implemented in different countries and regions. The reduced aviation traffic due to COVID-19 has also affected our non-aeronautical operations, including, among others, duty free and retail operations, food and beverages, land and space rentals, and others. For example, for the months of April and May 2020, we waived the rental payments payable by certain of our airport concessionaires, primarily the ground handling agencies, flight kitchen operators, airline offices and other retail concessionaires due to the lockdown and non-operation of the Airport during such period. Accordingly, the drop in our traffic throughput materially and negatively affected both of our aeronautical and non-aeronautical revenue, thereby adversely impacting our overall business, financial condition and results of operations. Revenue from aeronautical services and non-aeronautical services for the six months ended September 30, 2020 decreased by 82.7% and 51.8%, respectively, compared to the same period in 2019. We incurred losses of Rs. 2,050.3 million for the six months ended September 30, 2020 compared to a profit of Rs. 3,905.0 million for the same period in 2019, and we expect that we will incur losses for the full fiscal year ended March 30, 2021. See "Recent Developments—COVID-19 Outbreak" and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

In addition to the impact on passenger and cargo traffic, a pandemic such as COVID-19 has the ability to disrupt supply chains and this could in turn disrupt our operations as well as our ability to deliver capital development projects within forecast timelines and budget. For example, the demand for our MRO business increased due to downtime of aircrafts, however, we faced issues in meeting such demand due to non-availability of manpower and supply chain disruptions. We are also experiencing a shift in the overall timeline of our Current Expansion by at least six months due to prolonged lockdown in India and supply chain disruptions. The occurrence of a pandemic and the consequential effects thereof could also prevent our customers (including airlines) and other contract counterparties from meeting their contracted obligations. This could result in certain of our customers entering into voluntary administration or insolvency. Under such circumstances, any arrears payments owed to us would be at risk of non-recovery.

The extent of the pandemic's impact on our operational and financial performance will depend on future developments, including the duration, spread and intensity of the outbreak and government response to control the spread of the pandemic, all of which are uncertain and difficult to predict considering the rapidly evolving situation. We are closely monitoring developments, our operations, liquidity and capital resources and are actively working to minimize the impact of the unprecedented situation. However, there may be potential adverse effects of this pandemic on our short-and medium-term business operations and we expect to see the impact of COVID-19 on our financial statements for subsequent periods. The pandemic may also adversely impact our ability to raise additional capital or require additional reductions in capital expenditures that are otherwise needed to implement our strategies, including completing the Current Expansion. Additionally, if any of our employees are identified as a possible source of spreading COVID-19, Swine Flu, Avian Flu or any other similar epidemic, we may be required to close our offices, to quarantine employees that are suspected of being infected, as well as others that have come into contact with those employees, which may result in a temporary suspension of our business operations and expose us to operational risk.

Furthermore, capital markets and economies worldwide have also been negatively impacted by the COVID-19 pandemic. Continuing economic disruption could have a material adverse effect on our business as consumers reduce travel expenditure and discretionary spending. Policymakers around the globe have responded with fiscal policy actions to support certain areas of the travel industry and economy as a whole. The overall effectiveness of these actions as well as the future magnitude of unannounced measures and their overall effectiveness remains uncertain. The COVID-19 pandemic could continue to impede global economic activity for

an extended period, leading to decreased per capita income and disposable income, increased and sustained unemployment and/or a decline in consumer confidence, all of which may significantly reduce discretionary spending by individuals and businesses on travel. The travel industry tends to experience poorer financial performance during general economic downturns. There is a risk that business travel following the lifting of the travel bans and the quarantines will not return to pre-COVID-19 levels. We are also not able to predict whether the COVID-19 pandemic will result in permanent changes to consumer behavior, with such changes including but not limited to a permanent reduction in business travel as a result of increased usage of virtual, video conferencing and teleconferencing platforms (such as Zoom, Microsoft Teams and WebEx) and more broadly a general reluctance to travel by consumers, each of which may have a material impact on our business.

There can also be no assurance that the policies and controls for outbreak prevention and disease recurrence or any stimulus or relief packages introduced by the Government of India or other governments will be successful in preventing disease outbreaks or recurrences or that any actual or suspected outbreak of COVID-19 or other contagious disease affecting India or elsewhere will not occur. There can also be no assurance that any future outbreak of contagious diseases will not have a material adverse effect on our business, financial condition and results of operations. To the extent the COVID-19 pandemic continues to adversely affect our business, financial conditions and results of operations, it may also have the effect of heightening many of the other risks described in this ‘‘Risk Factors’’ section.

The fees we charge for aeronautical services—which comprise a significant portion of our revenues—are regulated by the Government of India, through AERA, in accordance with the terms of our Concession Agreement. Accordingly, government regulations and the terms of our Concession Agreement have materially affected our historical results of operations, cash flows and financial condition, and will continue to affect our future results of operations, cash flows and financial condition, which could be materially and adversely affected by the to-be-announced rate determinations for our aeronautical services. Further, the 2020 AERA Order pertaining to the second control period resulted in a substantial drop in aeronautical charges and negatively impacted our results of operations.

A significant portion of our revenues are earned from aeronautical services, and the aeronautical service fees we charge to airlines, passengers and other users for such services—including, but not limited to, landing and parking charges, user development fees, passenger service fees and common infrastructure charges—are regulated by AERA in accordance with the AERA Act, 2008 and our Concession Agreement. See “Management’s Discussion and Analysis of Financial Position and Results of Operations—Components of our income and expenditures—revenue.” For the six months ended September 30, 2020 and 2019 and for fiscal years 2020, 2019 and 2018, 37.0%, 61.4%, 59.8%, 62.0% and 63.1% of our revenue from contracts with customers in those periods respectively, were from aeronautical services. AERA determines the rates we charge for aeronautical services through a consultative process involving us and other stakeholders, such as relevant government agencies, airlines and passenger advocacy groups, and we do not have the ability to unilaterally change or increase the aeronautical service fees we charge to airlines or passengers. AERA’s rate determinations are based on, among other things, our submissions of forecasts for our traffic, our operation and maintenance expenses, our capital expenditure and our revenue from non-aeronautical operations. AERA’s rate determinations are for a “control period” of five years. While AERA’s determination of rates for aeronautical services is a consultative process, AERA may not agree with our forecasts, and the rates determined by AERA for any control period could be revised downwards. Additionally, we bear the risk for adverse changes in our operation and maintenance expenses and our revenue from non-aeronautical operations on a standalone basis. Accordingly, if there are unanticipated increases in our operating costs, or shortfalls in our aeronautical or non-aeronautical operations revenue, AERA may not allow us to make compensatory adjustments in our aeronautical service fees in the next tariff control period. Any adverse change in AERA’s determinations of our aeronautical service fees will have a material and adverse effect on our results of operations, cash flows and financial condition.

In addition to the regulation of our aeronautical charges, the principles adopted and the effective dates of AERA's rate determinations have had—and will continue to have—a material impact on our results of operations. For example, the aeronautical charges for the first control period spanning fiscal years 2011 through 2016 were not declared effective by AERA until February 2014, at which time AERA had passed an order (i) determining the tariff structure of GHIAL to be based on a single till methodology with a significant reduction in the target aeronautical revenue, and (ii) further contending that due to over-recovery of user development fees and passenger service fees (facilitation component) by us in the initial three years of the first control period, we were not eligible to recover such fees for the remaining two years in the first control period (the "Order"). We filed a writ petition before the Honorable High Court at Hyderabad challenging the Order, following which MoCA issued an order dated June 10, 2015 under section 42(2) of the AERA Act directing AERA to adopt a hybrid till with 30.0% cross subsidization from non-aeronautical revenue for the determination of our tariff in respect of the Airport and, consequently, the DGCA, through an aeronautical information circular (an "AIC") dated November 3, 2015, restored our user development fee and passenger service fee (facilitation component) at the rates existing before April 1, 2014. As a result, our revenue from aeronautical services for fiscal years 2015 and 2016 experienced substantial declines as compared to the prior years of the first control period. The Air Passengers Association of India has challenged the order of MoCA restoring our user development fee and passenger service fee (facilitation component) on the grounds that since we have over-satisfied our investment in the Airport, collection of such fees is illegal. AERA issued the 2020 AERA Order, effective from April 1, 2020, resulting in a substantial drop in our aeronautical charges and negatively impacting our revenue and our results of operations. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Our Sources of Revenue—Aeronautical Services."

Our major claims with respect to the first control period tariff, such as recovery of pre-control period entitlement, recovery of foreign exchange loss as operating expenses, treatment of revenue generated from cargo, ground handling and fuel farm services as non-aeronautical revenue were not considered by AERA in the first control period tariff order, hence we approached the High Court at Hyderabad and obtained an order on October 17, 2019, relegating the matter to the Telecom Disputes Settlement and Appellate Tribunal ("TDSAT"), the appellate body, to dispose of the matter expeditiously. The matter was heard by TDSAT and the issues were remanded back to AERA for fresh consideration and adjudication, and we expect settlement of all pending issues by AERA as part of pronouncement of the third control period tariff order. The tariff order with respect to the third control period is expected in June 2021, but we cannot guarantee that the order will not be delayed. We are also hopeful that some of the pending issues which were remanded back to AERA by TDSAT for fresh consideration, such as our claim with regard to pre-control period entitlement, will be settled in the determination of the third control period tariff, particularly as now there is a favorable pronouncement by TDSAT on similar claims by Bangalore International Airport Limited, though there can be no assurance that any such claims will be settled in our favor. Losses incurred during the current control period may not be fully considered as part of the tariff determination for the third control period. See "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business—Legal Proceedings." Such variations in our revenue due to the amount and timing of AERA's rate determinations, including for the third control period, may lead to substantial volatility and unpredictability in our results of operations and could make period-on-period comparisons of our results of operations potentially difficult.

Our earlier expansion plan to expand capacity to 20 million passengers per year, which was filed with our tariff submission to AERA for the second control period in March 2016 based on the traffic growth at that time, was considered by AERA, and AERA's assessment of our capital expenditure plan for 20 million passengers per year was published in a consultation paper issued by AERA in December 2017. However, we had revisited our capital expenditure plan on account of the sustained traffic growth at the Airport and subsequently embarked on capacity expansion at the Airport to handle annual passenger throughput of 34 million together with matching airside and landside infrastructure. Accordingly, we conducted consultations with key stakeholders to obtain their approval for the Current Expansion to accommodate up to 34 million passengers per year (which we believe can

be further increased to 40 million passengers per year with additional de-bottlenecking measures) and submitted our revised capital expenditure proposal to AERA as part of the third control period tariff proposal. While evaluating our multi year tariff proposal for the third control period AERA has appointed RITES to evaluate the capital cost of the Current Expansion, the exercise of which is now being taken up by RITES, which evaluation will be the basis for AERA to consider the allowable capital expenditures for our Current Expansion. Any disallowance by AERA of a part of our capital expenditure or delay by AERA in giving effect to our capital expenditure proposal during the tariff-setting process may have an adverse impact on our cash flows and our ability to service our debt, including the Notes.

Our revenue from fuel farm throughput fees had been considered non-aeronautical revenue and therefore not subject to tariff structures set by AERA. However, with effect from January 15, 2020, fuel farm throughput fees have been discontinued pursuant to the direction of AERA. Our revenues from fuel farm accounted for Rs. 1,392.9 million, Rs. 1,442.7 million, Rs. 979.4 million for fiscal years 2020, 2019 and 2018, respectively, and Rs. 136.1 million and Rs. 735.3 million for the six months ended September 30, 2020 and 2019, respectively. As a part of our third control period tariff order application, we are seeking to have the foregone revenue from fuel farm throughput trued-up or recovered through some other form of levy, there is no assurance that any such true-up or other compensation will be received, which may have an adverse effect on our cash flows and our ability to service our debt, including the Notes.

We may not be able to fund the Current Expansion.

We have embarked on a significant capital expansion at the Airport which we expect will cost approximately Rs. 68 billion (US$0 921.4 million), of which approximately Rs. 30 billion has been expended as at September 30, 2020, and the remainder is expected to be made over the next 24 months. Availability of funding for timely implementation of the project is critical. We expect to finance the remaining capital expenditures through the gross proceeds from the offering of the Notes, cash on hand and cash flows from operations in coming years. There can be no assurance that we will have sufficient funding for the Current Expansion and associated works and we may have to resort to additional indebtedness in the event cash flows from operations are not sufficient, which is in part dependent on traffic recovery at the Airport. However, there is uncertainty over traffic recovery due to the COVID-19 pandemic. See "—Any outbreaks of contagious diseases such as the outbreak of COVID-19 may have a material adverse effect on our business operations, financial condition and results of operations." Further, if AERA disallows a part of our capital expenditures when calculating tariffs for the third control period, it could have an adverse impact on our future cash flows. If our future cash flows are affected, it could impact our ability to finance the expansion as currently planned, which would result in our needing to finance more of the expansion with equity or debt, which could put further strain on the cash flow of our Company. A portion of our envisaged capital expenditure is expected to be generated from operations, but there can be no assurance that our business will generate the amount of cash needed or in a timely manner, which could adversely impact the timely implementation of such projects. Should we need additional financing, we cannot assure you that such financing will be available on commercially reasonable terms, or at all, which may result in us being unable to complete the Current Expansion and associated works. Any failure by us to complete the Current Expansion and associated works, either on time or at all, would have a material and adverse effect on our business, financial condition and results of operations.

Although the Current Expansion was to be completed by March 2022, completion has been delayed by the prolonged lockdown in India caused by the COVID-19 pandemic, which resulted in migrant workers returning home and additional delays in provisions of goods and the mobilization of the workforce and management following the lifting of the lockdown. The revised target completion date for the Current Expansion is September 2022. Although our contracts are fixed price contracts that provide for delays of up to six months, there can be no assurance that the expansion work will be completed according to the revised schedule or will not be further delayed, either due to the COVID-19 pandemic or otherwise. Timely completion of works is critical to ensure there are no cost overruns.

We may be unable to complete the Current Expansion on time or at all, and our construction costs could increase to levels that make the Current Expansion too expensive to complete or make the return on our investment less than expected.

In order to cater to the anticipated growth in passenger traffic at the Airport, we have embarked on the Current Expansion, which entails a significant capital outlay plan. The Current Expansion was undertaken based on traffic triggers and projected double digit growth before the COVID-19 pandemic. However, the COVID-19 pandemic has seriously impacted the traffic at the Airport, and full recovery to pre-COVID-19 traffic levels may require a significant amount of time. In the event traffic growth does not recover as anticipated, the return on our investment would be less than expected.

There may be delays or unexpected developments in completing the Current Expansion, which could cause the construction costs and other expenses of the Current Expansion to exceed our projections. We may suffer significant construction delays or construction cost increases as a result of a variety of factors, including:

- revocation of the rights granted to us under the Concession Agreement and the SSA by the Government of India or the Government of Telangana for certain prescribed reasons;
- failure to receive critical components and equipment that meet our design specifications and on schedule;
- failure to receive quality and timely performance of third party services;
- failure to secure and maintain environmental and other permits or approvals;
- appeals of environmental and other permits or approvals that we obtain;
- a requirement to change the configuration of the Current Expansion at the Airport;
- shortage of skilled labor;
- inclement weather conditions;
- adverse environmental and geological conditions; and
- occurrence of force majeure events or other events out of our control such as health scares and outbreaks of contagious diseases, including the ongoing global outbreak of COVID-19.

Any of these factors could give rise to construction delays or construction costs in excess of our expectations which may result in us being unable to complete the Current Expansion on time or at all. Significant delays in the completion of the Current Expansion could have a material adverse effect on our business, results of operations, cash flows, financial condition and prospects, in particular since the current passenger traffic at the Airport has exceeded the passenger capacity of the Airport, and may also result in us losing the right to operate the Concession.

We have awarded the major contracts for the Current Expansion pertaining to terminal and airside developments to Larsen & Toubro Limited and Megawide Construction Corporation for an aggregate value of Rs. 39.77 billion (US$538.9 million). For a description of these contracts, see "Business—Contracts for the Current Expansion."

Our contracts with Larsen & Toubro Limited and Megawide Construction Corporation include a clear completion schedule and providing for liquidated damages in case of any delay in execution and commissioning of the project. However, there can be no assurance that the Current Expansion will be completed on time as the performance of these contractors is beyond our control. In particular, restrictions imposed by the Government in order to combat the spread of COVID-19 may hamper or impair our contractor's ability to carry out the Current Expansion as per our contracted schedule, or at all. Although the Current Expansion was to be completed by March 2022, completion has been delayed due to the COVID-19 pandemic. The revised target completion date for the Current Expansion is September 2022. Although our contracts are fixed price contracts that provide for delays of up to six months, interest still accrues during any delay period, and there can be no assurance that the expansion work will be completed according to the revised schedule or will not be further delayed, either due to the COVID-19 pandemic or otherwise. Timely completion of works is critical to ensure there are no cost overruns, and any delay on the part of any of these contractors in installation and commissioning of the Current Expansion project may lead to a significant rise in cost.

Although the contractors have given us warranties in connection with design and engineering work as well as provided guarantees and indemnities to cover cost overruns and additional liabilities, these guarantees and indemnities may not address all losses, damages or risks or cover the full loss or damage suffered due to construction delays, performance shortfalls, or the entire amount of any cost overruns. We may also be required to engage new contractors as a result of the failure or under-performance of these contractors, thereby adversely affecting the cost of project. There can be no assurance that any such new contractors may be capable of completing the work on time. We may not be able to recover liquidated damages that we are contractually entitled to from any of these contractors, including any new contractors, for a delay in completion of the Current Expansion project if such contractor becomes bankrupt and undergoes financial difficulties. Since the project execution requires certain employee skillsets, an adverse change in human resource policy of any of these contractors may affect employee retention, thereby causing disruption in implementation of our Current Expansion project. Since execution of the Current Expansion project is labor intensive with heavy dependence on low to semi-skilled employees, we are vulnerable to strikes, unionism and other industrial relations issues at any of these contractors. Any of the factors above may in turn have a material adverse effect on our business, results of operation, cash flows, financial condition and prospects.

We may not be able to generate sufficient cash flows to meet our debt service obligations.

We have incurred indebtedness in connection with the build-out, development and operation of the Airport and our subsidiaries. As at September 30, 2020, our Total Indebtedness was Rs. 57,983.9 million (US$785.7 million). In December 2020, we drew down on our working capital facilities in the aggregate amount of Rs. 1,500 million. In addition, during the period from September 30, 2020 through December 31, 2020, certain of our subsidiaries also drew down on their working capital facilities. See "—Risks Related to Our Business—Our substantial leverage could adversely affect our ability to raise additional capital to fund our future capital requirements and prevent us from meeting our obligations under our Concession Agreement, particularly our obligations to undertake our development plans at the Airport in accordance with the Master Plan, including the Current Expansion" and "Description of Material Indebtedness."

We are required under the terms of the Concession Agreement to periodically submit a revised Master Plan to the Government of India consisting of various phases of development. Our current phase of development, the Current Expansion, includes, among others, (i) the addition of a modular which will more than triple the size of the existing terminal, (ii) pier expansion (east and west side), (iii) apron expansion for stands and excess taxi provisions and (iv) modification of the departure forecourt and ramp modification.

We currently estimate the total capital expenditures required for the Current Expansion, including our contribution towards metro connectivity and capital expenditures for general maintenance, upgrades and

enhancements, to be approximately Rs. 68 billion (US$921.4 million), of which approximately Rs. 30 billion has been expended as at September 30, 2020, and the remainder is expected to be made over the next 24 months. All of the major contracts, which are fixed price and time contracts, have been awarded. Such capital expenditures are expected to be financed with the gross proceeds from the offering of the Notes, cash on hand and cash flows from operations. The proceeds from this offering may not be sufficient to fund the Current Expansion if our cash on hand earmarked for the Current Expansion is used for some other purposes (for example, for the payment of concession fees that were due during 2020 if the Government of India does not grant an extension of time to make such payment) or our cash flow generation ability is impacted. Our subsidiaries may also incur additional indebtedness in connection with their business plans. As a result, we are expected to become more leveraged in the course of implementing the Current Expansion, which would result in increased debt servicing requirements.

Our ability to make scheduled payments on, or to refinance our obligations with respect to, our indebtedness, including the Notes and the Existing Notes, will depend on our financial and operating performance, which in turn will be affected by general economic conditions and by financial, competitive, regulatory and other factors beyond our control. It will also depend on the successful implementation of the Current Expansion, the failure of which could result in disruption to existing passenger traffic, loss of competitiveness of the Airport and loss of customer satisfaction, in particular since the passenger traffic at the Airport prior to the COVID-19 pandemic had exceeded the designed passenger capacity of the Airport. Furthermore, the funding of the Current Expansion will depend on our ability to generate revenue, which will depend on various factors, including the tariff rates to be set in future control periods and ongoing uncertainties relating to the impact of COVID-19. See "—The fees we charge for aeronautical services—which comprise a significant portion of our revenues—are regulated by the Government of India, through AERA, in accordance with the terms of our Concession Agreement. Accordingly, government regulations and the terms of our Concession Agreement have materially affected our historical results of operations, cash flows and financial condition, and will continue to affect our future results of operations, cash flows and financial condition, which could be materially and adversely affected by the to-be-announced rate determinations for our aeronautical services. Further, the 2020 AERA Order pertaining to the second control period resulted in a substantial drop in aeronautical charges and negatively impacted our results of operations." We may not generate sufficient cash flow from operations, and future sources of capital may not be available to us in an amount sufficient to enable us to service our indebtedness, including the Notes.

If we are unable to generate sufficient cash flow and capital resources to satisfy our debt obligations or other liquidity needs, we may have to undertake alternative financing plans, such as refinancing or restructuring our debt, selling assets, reducing or delaying capital investments or seeking to raise additional capital, including debt. There is no assurance that any refinancing would be possible, that any assets could be sold or, if sold, of the timing of the sales and the amount of proceeds that may be realized from those sales, or that additional financing could be obtained on acceptable terms, if at all. In the absence of such cash flow and resources, we could face substantial liquidity problems and might be required to dispose of assets to meet our debt service and other obligations. Other credit facilities and the Indenture will restrict our ability to dispose of assets and use the proceeds from the disposition. We may not be able to consummate those dispositions or obtain the proceeds which we could realize from them, and any such proceeds may not be adequate to meet any debt service obligations then due. Our inability to generate sufficient cash flows to satisfy our debt obligations, or to refinance our indebtedness on commercially reasonable terms and in a timely manner, or at all, would materially and adversely affect our financial condition and results of operations and the ability to satisfy our obligations under the Notes. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources" and "Description of the Notes."

Our substantial leverage could adversely affect our ability to raise additional capital to fund our operations and prevent us from meeting our obligations under our Concession Agreement, particularly our obligations to undertake our development plans at the Airport in accordance with the Master Plan, including the Current Expansion.

We are highly leveraged, and with the capital expenditure proposed to be incurred in connection with the Current Expansion, we will continue to remain highly leveraged. As at September 30, 2020, our Total Indebtedness was Rs. 57,983.9 million (US$785.7 million). We have also drawn down on working capital facilities in December 2020. The offering of the Notes will significantly increase our outstanding indebtedness.

Under the Concession Agreement, we are required to undertake our development plans at the Airport in accordance with the Master Plan. In particular, we are obligated to design, procure, construct, complete, test, commission and remedy any defects at the Airport in accordance with the Master Plan. We are also obligated to develop and implement detailed proposals for the expansion of the Airport, taking into account increased demand, the availability of funding, economic and profitable operations of the Airport at that time and the reasonable requirements of the users of the Airport. In this regard, we made our last submission of the Master Plan to MoCA in fiscal year 2018, which included the Airport's developmental requirements for the five-year period between fiscal year 2018 and fiscal year 2022 and the broad plans for the period between fiscal year 2022 and fiscal year 2039. Our current phase of development, the Current Expansion, includes, among others, (i) the addition of a modular expansion to the east and west sides which will more than triple the size of the existing terminal, (ii) pier expansion (east and west side), (iii) apron expansion for stands and excess taxi provisions and (iv) modification of the departure forecourt and ramp modification. Our earlier expansion plan to expand capacity to 20 million passengers per year, which was filed with our tariff submission to AERA for the second control period in March 2016 based on the traffic growth at that time, was considered by AERA, and AERA's assessment of our capital expenditure plan for 20 million passengers per year was published in a consultation paper issued by AERA in December 2017. However, we revisited our capital expenditure plan on account of the sustained traffic growth at the Airport before COVID-19 and embarked on a capacity expansion at the Airport to handle annual passenger throughput of 34 million, together with matching airside and landside infrastructure. Accordingly, we have conducted consultations with key stakeholders to obtain their approval for the Current Expansion to accommodate up to 34 million passengers per year (which we believe can be further increased to 40 million passengers per year with additional de-bottlenecking measures) and submitted our revised capital expenditure proposal to AERA. AERA has appointed RITES to independently evaluate the cost of Current Expansion for its consideration. There can be no assurance that AERA will agree with our capital expenditure proposal or approve it as proposed when determining our aeronautical tariff. Any disallowance by AERA of a part of our capital expenditure or delay by AERA in giving effect to our capital expenditure proposal during the tariff-setting process may have an adverse impact on our cash flows and our ability to service our debt, including the Notes.

As and when we are required to construct additional infrastructure or other capital projects at the Airport, including pursuant to the Current Expansion, or for projects being undertaken by our subsidiaries, we will need to raise additional indebtedness, as we will not be able to fund the majority of our required capital expenditures solely with our operating cash flows. Our substantial leverage could adversely affect our ability to raise this additional indebtedness on acceptable terms or at all. Moreover, any additional indebtedness incurred to fund our required capital expenditures will compound the adverse consequences of our high leverage as described below.

Our high degree of leverage could have additional adverse consequences, including:

- requiring a substantial portion of cash flow from operations to be dedicated to the payment of principal and interest on our indebtedness, therefore reducing our ability to use our cash flow to fund our operations and capital expenditures;

- limiting our ability to raise additional capital for working capital, debt service and other general corporate requirements;

- increasing our vulnerability to downturns or adverse changes in general economic conditions and adverse changes in the regulations affecting our business;

- making it difficult for us to satisfy our obligations with respect to the Notes and our other indebtedness; and

- exposing us to the risk of increased interest rates, as a portion of our borrowings are at variable rates of interest.

Any difficulties we may encounter, both in raising additional indebtedness to fund our capital expenditures and satisfying our increased debt service requirements, could have a material and adverse effect on our liquidity and results of operations. In addition, as our existing indebtedness matures, we may need to refinance or obtain new debt which may not be available on favorable terms or at all. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Capital Expenditures" for a discussion of our capital commitments for fiscal years 2022 and 2023.

Under the terms of the Concession Agreement, we were required to complete certain mandatory capital projects in connection with the construction and development of the Airport. Our Phase 1A development plans were successfully completed in 2008, and we have embarked on the Current Expansion. Although the Current Expansion was to be completed by March 2022, completion has been delayed due to the COVID-19 pandemic. The revised target completion date for the Current Expansion is September 2022. We cannot guarantee that we will be able to fulfill our commitments without delay or within the estimated budget for such projects nor that we will be able to obtain the financing necessary to complete such projects. This could limit our ability to expand capacity at the Airport, increase our operating or capital expenses, and adversely affect our business. Such delays or budget overruns could also limit our ability to comply with the Master Plan or any major development plans and/or lead to our breaching the Concession Agreement, any of which would have a material adverse effect on our business, financial condition, cash flows and results of operations.

For a description of our Concession Agreement and the Master Plan, see "Business—Our Concession" and "Business—The Master Plan."

The global and Indian capital and lending markets are, by nature, highly volatile and access to liquidity can, at times, be significantly reduced. Moreover, towards the end of 2018, defaults in debt repayments by a large NBFC in India, Infrastructure Leasing & Financial Services Limited, which had a significant shareholding from government owned institutions, led to heightened investor focus around the health of the broader NBFC and banking sector as well as their sources of liquidity. This has led to some tightening in liquidity available to certain NBFCs and has also recently resulted in concerns over the financial position and performance of certain banks in India. On March 5, 2020, the RBI superseded the board of Yes Bank Limited, and imposed certain limitations on its operations and a temporary moratorium on withdrawals over Rs. 50,000 for a certain period. These events, and if any event of similar nature or magnitude affecting the market sentiment surrounding the sector occurs again in the future, may result in increased borrowing costs and difficulties in accessing cost-effective debt for us.

The Government of India may impose liquidated damages on us and/or terminate the Concession Agreement under certain circumstances.

Our concession is our principal asset and we will be unable to continue our operations without this concession. The initial concession period is 30 years for the Airport. This concession term may be extended for a period of 30 years at the option of the Company (which has been exercised) with a further extension upon mutual agreement in the case of the Airport.

The Concession Agreement provides that the Government of India may impose liquidated damages on us in the event that we fail to meet certain agreed performance standards and impose default interest (at the State Bank of India prime lending rate plus 2%) if we fail to pay any amount due and payable under the terms of the Concession Agreement. See "Business—Our Concession—Concession Agreement" for further details. We have not paid concession fees for the period from June 2020 to December 2020 that were due on December 31, 2020 and are in discussions with the Government of India regarding a two-year extension for payment, however, there can be no assurance that the extension will be granted or that our non-payment during our discussion will not have an adverse effect on our business. See "—Our concession fee payable to the Government of India may be higher as a result of, inter alia, the adoption of Ind-AS. We have not yet paid our concession fee that was due on December 31, 2020 as we are in discussions with the Government of India regarding an extension of time for payment due to COVID-19." We cannot assure you that we will be able to meet the performance standards required under the Concession Agreement and that the Government of India will not impose any such liquidated damages on us if we do not meet the performance standards required under the Concession Agreement.

The Concession Agreement may be terminated by the Government of India prior to the expiration of the term of the agreement for certain prescribed reasons, including but not limited to a material breach of the Concession or a force majeure event causing an interruption to the performance of our obligations beyond a specified period. For example, any un-remedied material default under the Concession Agreement, any halt in our operations of the Airport (either sustained for 14 or for 30 days in aggregate in any calendar year), failure to achieve performance standards two years after the date that we first become liable to pay liquidated damages, or any failure to pay the concession fee within 30 days of a request from the Government of India could result in the Concession Agreement being terminated. Regarding the concession fee that we have not yet paid, the Government of India has not made any request for the payment as we are still in discussions for an extension of time for making the payment. The Concession Agreement may also be terminated upon our insolvency, winding up or liquidation or administration, trust or receivership of all or substantially all of our assets or upon certain violations of Indian laws or regulations. In addition, the Government of India may assume the operation of the Airport in the event of any emergency, including war, public disturbance or a threat to national security, in case we cease to operate the Airport for more than 48 hours without the written consent of the Government of India, other than in accordance with its rights under the Concession Agreement and not being due to the Government of India or any Relevant Authority (as defined in the Concession Agreement). See "Business—Our Concession—Concession Agreement" for further details. We cannot assure you that the Government of India will not terminate the Concession Agreement if we are unable to satisfy our obligations thereunder or any of the events described above occur.

In the event of a reversion of the public domain assets that are the subject of our Concession in the case of an event of default under the Concession Agreement, the Government of India has guaranteed—subject to several conditions—to compensate us by, among other things, making payment of 100% of our outstanding Debt (as defined below) due to our Lenders under the financing agreements relating to the initial construction of the Airport and any expansion of its facilities from time to time plus the value of our investment in non-airport activities which the Government of India opts to take over, less any insurance proceeds received by us in respect of claims made since the occurrence of the default which led to termination. See "Business—Our Concession—Concession Agreement" for further details. However, there can be no assurance that we will receive

compensation equivalent to the value of our investment in or any additional damages related to our Concession and related assets upon the occurrence of such event. Thus, the loss of our Concession would have a material adverse effect on our business, financial condition, cash flows and results of operations and may result in the loss of all principal and interest owed to the holders of the Notes and our other indebtedness.

Furthermore, under the terms of the Concession Agreement, we may not assign the Concession Agreement or pledge as security our interests in the Concession Agreement or any right or obligation arising under or pursuant to it or any benefit or interest in it. We may only assign and transfer our rights and obligations under the Concession Agreement for the purposes of providing security to our Lenders if the Government of India does not object within 10 days after being notified of such transfer and assignment and upon disclosure of the identity of such Lenders. "Lenders" is defined under the Concession Agreement as the financial institutions, banks, non-banking financial company and similar bodies to whom debt is owed under the financing agreements for financing of the initial phase and any expansion of the Airport. "Debt" is defined under the Concession Agreement as the outstanding debt payable to our "Lenders" under the financing agreements relating to the development and operation of the Airport. However, the holders of the Notes ("Noteholders") may not be considered by the relevant government or judicial authorities to fall within the definition of "Lenders" under the Concession Agreement. For example, the definition of "Lenders" in the Concession Agreement would not include Noteholders that are individuals or certain classes of Noteholders who may otherwise provide financing to us either directly or through an intermediary. Moreover, specific disclosure as to the identity of such Lenders to the Government of India may not be possible at the time of notifying such assignment or transfer. The Trustee has no duty to determine, and would not be responsible for any determination of, whether any Noteholders qualify as "Lenders" under the Concession Agreement.

Upon termination of the Concession Agreement as a consequence of a default by us or the Government of India in certain prescribed circumstances, the Government of India may acquire all of our rights, title and interests in and to the Airport and in any non-airport activities which the Government of India opts to take over. See "Business—Our Concession—Concession Agreement" for further details. The termination amount to be paid by the Government of India in such event is calculated to include "Debt" as defined under the Concession Agreement. However, any amounts outstanding in relation to the Notes held by Noteholders who do not qualify within the definition of "Lender," such as individuals, may not be included in the calculation of "Debt" under the Concession Agreement for purpose of such termination amount. Any amount advanced by individuals to us would not be considered as "Debt" as defined in the Concession Agreement since individuals are not considered "Lenders" as defined in the Concession Agreement. This may adversely impact the amount of funds available to Noteholders from the termination payments made by the Government of India upon termination of the Concession Agreement. A court may also take the view that none of the Noteholders qualify as "Lenders" under the Concession Agreement, in which case the amount of Notes outstanding would not be considered for determining the termination payments made by Government of India upon termination of the Concession Agreement.

Furthermore, to the extent that we incur any capital investment amounts or costs in relation to the conduct of non-airport activities and require such investments, amounts or costs to be calculated as part of the Termination Amount, Debt or Settlement Amount, we must seek the prior consent of the Government of India before incurring such capital investment amounts or costs.

For a description of the Concession Agreement, including the obligations—and the limitations thereto—of the Government of India in the event of a reversion of the public domain assets that are the subject of our Concession in the case of an event of default, see "Business—Our Concession." Also see "—Risks Related to the Notes and the Collateral—If our Concession is terminated or the Government of India acquires our rights under the Concession, the Notes held by holders who are not "Lenders" as defined under the Concession Agreement would not be eligible for termination payments and accordingly, the Notes may receive only partial or no repayments of amounts owed under the Notes."

Our business is subject to extensive and evolving Indian law and regulations.

Our operations, including the scope and extent thereof, are regulated and restricted by the Government of India and the terms of our Concession Agreement. Principal regulators of the Government of India that formulate and implement policies affecting our business include AERA, MoCA, the DGCA and the Bureau of Civil Aviation Security. We also are required to obtain governmental and regulatory approvals with respect to a variety of matters affecting our operations. In addition, new laws or regulations could be implemented that could have a direct or indirect adverse effect on our operations. While we seek to maintain favorable relations, we believe we enjoy with the regulators who oversee our business, there can be no assurance that these regulators will not formulate and implement policies which adversely affect our business. Key areas of our business that are subject to regulatory oversight include the rate-setting process applicable to aeronautical service tariffs, security, health and environmental safety, and labor relations. There can be no assurance that the regulatory agencies overseeing our operations will rule favorably for us or that the laws and regulations governing our business will not be established or change in the future or be applied or interpreted in a way that could have a material adverse effect on our business, financial condition, cash flows and results of operations.

Our operations require us to obtain and comply with the terms of various approvals, permits and registrations. While certain approvals, permits and registrations are one-time in nature, which remain valid unless or until cancelled, certain other approvals are only valid for stipulated periods of time and require periodic renewals. For example, we are required to obtain, and renew from time to time, the aerodrome licenses issued by the DGCA with respect to the Airport; our combined consent to operate under the Water (Prevention and Control of Pollution) Act, 1974, as amended, and the Air (Prevention and Control of Pollution) Act, 1981, as amended, and authorizations under the Hazardous Wastes (Management and Handling) Rules 1989, as amended. Additionally, we may be required to obtain or renew from time to time, approvals and licenses at the central, state and municipal levels in relation to our commercial property development projects, and must comply with various rules and regulations, such as the Customs Act and Foreign Exchange Management Act in relation to our duty-free retail business. There can be no assurance that we will be able to obtain or renew such approvals and licenses in time or at all. Furthermore, the environmental approvals are granted to us based on certain assumptions on the number of people using the airports. Such assumptions may not be accurate and if we obtain or renew environmental approvals based on inaccurate assumptions, our business and operations may be materially and adversely affected. In addition, such approvals, permits and registrations contain various conditions and restrictions that we (as well as our contractors, concessionaries and other relevant third parties) are required to comply with. These include the requirement, in certain cases, to maintain registers and to file periodic returns with the appropriate authorities.

In order to carry out our MRO business, we must comply with various rules and regulations. We have the capability to conduct airframe maintenance for aircraft manufactured by Boeing, Airbus and Bombardier, but carrying out such airframe maintenance and related ancillary services is subject to our having the valid certification of DGCA. We have received the certification of DGCA, in addition to certifications from various other agencies, including the European Air Safety Association ("EASA"), the Federal Aviation Administration ("FAA"), the Myanmar Department of Civil Aviation, the Civil Aviation Authority of the Cayman Islands, the Department of Civil Aviation of Malaysia, the Ministry of Transportation and Telecommunications of the Kingdom of Bahrain, and the Public Authority for Civil Aviation of the Sultanate of Oman. The certification process for each agency and adherence to the same is stringent and subject to suspension or cancellation under certain circumstances. For example, our EASA certification was suspended from mid-2016 to early 2017 due to its audit finding that we failed to record several defects discovered during a major scheduled maintenance event and assess their impact on flight safety, a situation which we subsequently rectified in order to reinstate our certification. In December 2018, our EASA certification was again suspended due to an audit finding that we failed to record certain defects discovered during a major scheduled maintenance event and assess their impact on flight safety, a situation we rectified through process improvements and quality checks. Our EASA

rectification was reinstated in October 2019. Rectification of these situations involved making improvements to our quality control processes, for which we have incurred and will incur additional costs, and there may be additional costs in the future associated with maintaining our certifications or rectifying future compliance deficiencies. Any revocations or suspensions of the certifications and other compliances required by our MRO business could have an adverse effect on our business, financial condition, cash flows and results of operation. In certain circumstances, such approvals, permits and registrations may also be revoked or suspended by the issuing authorities or by the Government of India or the competent courts or appellate forums on account of our, or our contractors' or relevant third parties', failure to comply with applicable requirements or restrictions.

Our compliance costs (including penal or remedial costs in the event of any failure to comply) may be substantial. In addition, we undertake to indemnify our MRO customers for losses, penalties or other expenses incurred as a result of breach or failure by GACAEL under the terms of our MRO contracts. Any failure to obtain, renew or comply with the terms of applicable approvals, permits and registrations, or any occurrence which results in GACAEL having to indemnify its MRO customers, could materially and adversely affect our business, financial condition, cash flows and results of operations, and also result in reputational damage. For further information, see "Indian Regulatory Environment."

AERA determines the rates we charge for aeronautical services through a consultative process involving us and other stakeholders, based on our submissions of forecasts for our traffic, our operation and maintenance expenses, our capital expenditure and revenues from non-aeronautical operations on a standalone basis, as well as other factors. While AERA's determination of rates for aeronautical services is a consultative process, AERA may not agree with our forecasts and other calculations included in the tariff applications we submit to AERA. See "—The fees we charge for aeronautical services—which comprise a significant portion of our revenues—are regulated by the Government of India, through AERA, in accordance with the terms of our Concession Agreement. Accordingly, government regulations and the terms of our Concession Agreement have materially affected our historical results of operations and financial condition, and will continue to affect our future results of operations, cash flows and financial condition, which could be materially and adversely affected by the determinations of aeronautical charges. Further, the 2020 AERA Order pertaining to the second control period resulted in a substantial drop in aeronautical charges and negatively impacted our results of operations." See "Business—Legal Proceedings" for further details.

The rights granted to us under the Concession Agreement and the SSA are our principal assets. Our rights under these agreements may be revoked by the Government of India or the Government of Telangana for certain prescribed reasons, including any event of default on our obligations or any force majeure event. See "Business—Our Concession" and "—The Government of India may impose liquidated damages on us and/or terminate the Concession Agreement under certain circumstances" for further details. If we were to lose our rights, or any portion of them, under the Concession Agreement or the SSA, such loss could have a material adverse effect on our business, financial condition, cash flows and results of operations.

Our revenue is highly dependent on levels of air traffic, which depend in part on factors beyond our control, including economic and political conditions and the regulatory environment.

Our revenue is highly dependent to passenger and cargo traffic volumes and the number of air traffic movements at the Airport.

These factors directly determine our revenue from aeronautical services and indirectly determine our revenue from non-aeronautical services. Passenger and cargo traffic volumes and air traffic movements depend in part on many factors beyond our control, including, among others:

- political factors and the regulatory environment, which are both beyond our control;

- macroeconomic events (including changes in fuel prices and currency exchange rates), whether or not affecting the Indian economy or the global economy generally;

- adverse changes in domestic or international regulation or policy;

- increased competition, which may make the Airport less attractive compared to other airports;

- the development of efficient and viable alternatives to air travel, including the improvement or expansion of existing surface transport systems, the introduction of new transport links or technology, and the increased use of communications technology;

- consumer response to advocacy against air travel based on environmental concerns;

- grounding of aircraft for financial reasons, such as non-payment of aircraft leases by an airline or delay in the delivery of an aircraft, or for other reasons, such as decisions to ground the Boeing 737 MAX aircraft made by regulators worldwide;

- shortages of qualified pilots and other critical personnel or strikes by pilots and other aircraft crew or air traffic control personnel;

- increase in air fares due to reduction in operations of competing carriers or increases in aviation fuel prices;

- reduction or discontinuation in operations of domestic and international carriers, for example, the discontinuation of the operations of Kingfisher Airlines, Air Costa and Jet Airways, which led to a reduction in ATMs at the Airports;

- decisions by airlines regarding airfares due to increased airline costs, the number, type and capacity of aircraft, as well as the routes on which particular aircraft are utilized;

- major airport maintenance programs, including runway repairs, as conducted from time to time;

- increase in the number of sectors that existing airlines are operating in;

- enhanced security measures due to the current political tensions between India and Pakistan;

- bad weather and other seasonal factors (such as fog, rain, storms and smog experienced at airports), which can lead to delays and flight cancellations;

- accidents or other security incidents at the Airport or other airports in India;

- shortages of available parking slots at the Airport or airports from which airlines using the Airport are operating;

- wars, riots, political action, disruptions caused by natural disasters, and acts of terrorism or cyber-security threats; and

- health scares and outbreaks of contagious diseases, including the ongoing global outbreak of COVID-19.

As a result of the COVID-19 pandemic, passenger and cargo traffic at the Airport declined significantly. See "—Any outbreaks of contagious diseases such as the outbreak of COVID-19 may have a material adverse effect on our business operations, financial condition and results of operations. The COVID-19 pandemic has had a material, negative impact on our business operations, financial condition and results of operations and there is uncertainty as to how and how long it will continue to do so."

Implementation of the Current Expansion will involve complex construction planning, management of multiple EPCs and the incurrence of a significant amount of additional indebtedness. We will not be able to recover the capital expenditure we have made with respect to the Current Expansion if air traffic does not recover in the years to come due to any permanent impact that COVID-19 may have on corporate and leisure travel, rendering the expanded terminal and airside facilities under-utilized, which may cause AERA not to allow passing on the entire cost of Current Expansion to the passengers and airlines in the form of aeronautical charges. The failure to successfully implement any aspect of the Current Expansion and associated capital expenditure on account of adverse economic and political conditions or regulatory environment, or any other reason, could result in failure to capture additional revenue from increased passenger traffic or loss of revenue from disruption to current passenger traffic.

Under prevailing regulatory practice, AERA may compensate us through tariffs in subsequent control periods for decreases in our revenues from aeronautical operations due to drops or variations in air traffic or passenger traffic caused by economic cycles which are below projections in AERA's tariff determinations, however, there is no guarantee that AERA would provide such compensation. See "Business—Our Concession—Concession Agreement—Airport Economic Regulatory Authority and Tariffs" for further details. Any decrease in air traffic to or from the Airport as a result of the above and other factors could have a material adverse effect on our business, financial condition and results of operations.

Our revenue from non-aeronautical operations is partially linked to passenger numbers and expenditures by such passengers at the Airport. Levels of retail revenue may also be affected by changes in the buying behavior of the passengers on account of COVID-19, mix of long-and short-haul, transfer, origin and destination of passengers and also the mix of international and domestic passengers. The majority of our international passengers are from the Middle East, so our duty free revenues are particularly sensitive to economic conditions in the Middle East. In addition, international passenger traffic declined more significantly due to COVID-19 and is expected to recover more slowly as compared to domestic passenger traffic. In addition, retail tenant failures, lower retail yields on lease re-negotiations, redevelopments or reconfiguration of retail facilities, reduced competitiveness of the airport retail offering, reduced hand luggage and other carry-on restrictions and reduced shopping time as a result of more rigorous and time consuming security procedures may lead to a temporary or permanent decline in retail concession fees. Other non-aeronautical operations revenue could be reduced as a result of a decrease in demand from airport users or airlines leasing check-in counters, a decrease in passengers staying at our Novotel Hyderabad Airport Hotel or a decrease in the number of aircrafts utilizing our MRO services. Further, airport terminals are periodically renovated and refurbished, and during such periods, we may experience reduced earnings from non-aeronautical operations. Any of these factors could have a material adverse effect on our business, financial condition and results of operations.

Decreases in our non-aeronautical service revenues and the revenues of our subsidiaries and joint venture are not subject to compensation from AERA or any other agreement in the event that passenger traffic drops below that projected by AERA's tariff determinations. Furthermore, some of our subsidiaries and joint ventures are highly leveraged, so decreases in revenues resulting from decreases in passenger traffic would materially adversely impact their ability to service loans, for which we may become directly liable under various guarantees we have provided to such lenders. Thus, events of default by our subsidiaries or joint ventures could have a material adverse effect on our business, financial condition, cash flows and results of operations.

Routing and other operational decisions by airlines or airline alliances can affect traffic volumes and our operations.

Routing, stop-over and connection decisions or the creation or designation of a hub by individual airlines or airline alliances could result in significant shifts in passenger flows. In addition, an airline's decision to use larger or smaller types of aircraft at the Airport could result in changes to operational and facility requirements, which may require us, for example, to modify or construct new gate facilities to accommodate new, larger aircraft operated by airlines. We currently have a number of gate facilities at the Airport that are able to accommodate new, larger aircraft operated by various airlines that utilize the Airport, such as the Airbus A380. However, we may be unable to adapt in time for any future developments in new aircraft that require modifications to our existing facilities. Airline or airline alliance routing and hub designation decisions may affect the revenue we derive from landing charges, parking and housing charges and user development fees or may require us to incur substantial costs in establishing new types of facilities and services. These and other possible activities and operational decisions by airlines or airline alliances could have a material adverse effect on our business, financial condition, cash flows and results of operations.

The Government of India could grant new concessions that compete with the Airport.

Governmental authorities could grant additional concessions to operate existing government-managed airports or authorize construction of new airports—any or all of which could compete directly with the Airport. For example, due to the bifurcation of the state of Andhra Pradesh into the state of Andhra Pradesh and the state of Telangana, a new international airport has been awarded for Bhogapuram, at an aerial distance of ~700 kilometers from the Airport in the new state of Andhra Pradesh, which may divert a significant amount of air traffic from the Airport once the new airport commences its operations. Any competition from such other airports could have a material and adverse effect on our business, financial condition, cash flows and results of operations. Under Indian law, the grant of a concession for a new or existing airport must be made pursuant to a public bidding process.

Furthermore, the Aviation Policy 2016 permits development of greenfield airports or non-commercial airports within a 150 kilometer radius of existing PPP (public-private partnership) airports, such as the Airport, subject to the provisions of the relevant concession agreement. Although, pursuant to the Concession Agreement, no new or existing airport is permitted to be developed as, or improved or upgraded into, an international or a domestic airport within an aerial distance of 150 km of the Airport before 2033 (the 25th anniversary of the Airport Opening Date), the Government of India is currently contemplating improvements at two regional airports, each of which is located within a 150 km radius of the Airport. See "Indian Regulatory Environment—Applicable Legislation, International Conventions and Sectoral Policy—Policy on Regional Connectivity Scheme (UDAN)." We have consented to the improvements at one of the airports, Bidar Airport, and have accordingly been appointed by the Government of Karnataka to maintain and operate the Bidar Airport under the auspices of our current Concession on an exclusive basis until March 22, 2033. The inaugural flight under Regional Connectivity Scheme landed at Bidar on February 7, 2020. However, if the Government intends to operationalize other airports which are located within 150 km radius of the Airport, there can be no guarantee that we would also be granted such projects or that such projects would not be granted to a third party. If we consent to the development of any such airport, whether or not undertaken under the auspices of our current Concession, or if development of any such airport continues without our consent, we may be forced to compete with any such airport for passenger traffic, which may materially adversely affect our financial condition, cash flows and results of operations. See "Business—Overview—Overview of our Concession" for further details.

We do not have a right of first refusal over any airports to be constructed within proximity to the Airport, so any new airport development concession would be offered through a public bidding process. In the event that a competing concession is offered in a public bidding process, we cannot assure you that we would participate in

such a process, or that we would be successful if we were to participate. If we are able to participate and are declared successful in such a public bidding process, we will be required to undertake significant capital expenditures for the construction and development of facilities at the proposed new airport, including new terminals and the related facilities necessary to support these terminals. As and when we are required to construct and develop facilities at the proposed new airport, we will need to raise additional funds, and we cannot assure you that we will be able raise additional funds through the issuance of equity or equity-linked instruments or through debt financing.

We must be able to arrange necessary financing to compete effectively with any such new airports. We cannot assure you that market conditions and other factors will permit future project financings, debt or equity, on terms favorable to us or at all. Our ability to arrange financing and the costs of such financing are dependent on numerous factors, including general economic and capital market conditions, credit availability from financial institutions, the amount and terms of our existing indebtedness, investor confidence, the continued success of our Airport and laws that are conducive to our raising capital in this manner. If we are unable to arrange necessary financing or compete effectively with any such new airports, our business, financial condition, cash flows and results of operations could be materially and adversely affected.

Our concession fee payable to the Government of India may be higher as a result of, inter alia, the adoption of Ind-AS. We have not yet paid our concession fee that was due on December 31, 2020 as we are in discussions with the Government of India regarding an extension of time for payment due to COVID-19.

Under the Concession Agreement, we are required to pay the Government of India a concession fee equal to 4.0% of our standalone pre-tax gross revenue, with certain exclusions. We have agreed with the Government of India to defer payment of the annual concession fee in respect of the first 10 fiscal years after the Airport Opening Date to the 11th fiscal year after the Airport Opening Date, to be paid in 20 equal half-yearly instalments. The annual concession fee in respect of the 11th fiscal year after the Airport Opening Date and each succeeding fiscal year thereafter will be payable annually in arrears. We began making payments of the half-yearly instalments of such deferred fees on June 30, 2018. However, the Government of India has yet to confirm our calculation of the concession fee payable.

Our management is of the view that certain income/credits arising from the adoption of Ind-AS and also mark-to-market gain on valuation of interest rate swaps and gain on restatement of 2027 Notes were not contemplated by the parties in December 2004 when the Concession Agreement was executed. Further, such income/credits in our statement of profit and loss do not represent receipts from business operations or from any external sources and therefore, are not treated as gross revenue for calculation of the concession fee payable to the Government of India. Accordingly, we have made provisions for the concession fee payable to the Government of India based on gross revenue under our financial statements prepared under Ind-AS after making adjustments for such income/credits.

If the Government of India disagrees with our calculation of the concession fee, our concession fee payable to the Government of India may be higher by about Rs. 120 million during the initial period of 10 years of deferment, as such income/credits arising from the adoption of Ind-AS would be treated as part of gross revenue. If the Government of India were to make such a determination, we may decide to challenge the decision by initiating a dispute under the Concession Agreement, which could result in a significant commitment of our management's time and resources. Any such impact on the concession fee payable to the Government of India without an increase in our operating cash flows and any such potential dispute may materially adversely affect our financial condition, cash flows and results of operations.

Furthermore, due to our incurring operational cash losses during the six month ended September 30, 2020 due to the COVID-19 pandemic and the uncertain outlook for the recovery of traffic at the Airport, in order to

preserve our liquidity and prepare ourselves for future uncertainties, we had requested the Government of India for a two-year extension for the payment of concession fees that were due and payable between June 2020 to December 2020 that were due on December 31, 2020. The Government of India initially granted an extension for payment until December 31, 2020. We have not yet paid such concession fee. It will be an event of default under the Concession Agreement if any sum due and payable thereunder is not paid within thirty days of a request from the Government of India. However, the Government of India has not made any request for the payment as we are in discussions with the Government of India on the two-year extension. With the Government of India on the two-year extension. If the Government of India does not grant an extension, the concession fee payment will entail a cash outflow of Rs. 880.0 million which may materially adversely affect our financial condition and cash flows. The Government of India may also impose significant penalties for non-payment of concession fees when due, which we may not be able to pay or even if we are able to pay, such cash outflow may impact our ability to meet other payment obligations, including our debt service obligations. Since we have extended corporate guarantees for all our subsidiary indebtedness, the loss of our concession rights or rescission of concession by the Government of India, may compel the creditors of our subsidiaries to accelerate the payment under the respective financing documents, which would materially adversely affect our business and financial condition and there can be no assurance that such event will not result in a bankruptcy or winding up of our operations.

The loss of one or more of our key customers or a reduction in their operations could result in a significant decline in our revenues.

Revenue from aeronautical operations includes landing, parking and common infrastructure charges, which are collected from the airlines, and user development fee and passenger service fee (facilitation component), which is collected by the airlines on behalf of the Company from the passengers. Aeronautical operations also include cargo operations, including a full scope of cargo handling services encompassing both physical handling as well as documentation services, fuel farm infrastructure fees, fuel farm throughput fees and ground handling services. Interglobe Aviation Limited (which operates IndiGo flights) accounted for 27.9%, 24.7%, 28.3%, 26.8% and 24.2% of our revenue from aeronautical services (on a standalone basis) and 17.7%, 18.6%, 21.0%, 20.0% and 18.0% of our revenue from contracts with customers (on a standalone basis) for the six months ended September 30, 2020 and 2019 and years ended March 31, 2020, 2019 and 2018, respectively, while Air India Group (comprising Air India Limited, Indian Airlines Limited, Airline Allied Services Limited and Air India Charters Limited) accounted for 6.5%, 6.3%, 6.4%, 7.3% and 8.3% of our revenue from aeronautical services (on a standalone basis), and 4.1%, 4.7%, 4.7%, 5.5% and 6.1% of our revenue from contracts with customers (on a standalone basis), over the same periods, respectively. We expect that these airlines will continue to account for a significant percentage of our revenue in the future. None of our contracts with our airline customers obligate them to use the Airport for a minimum number of flights or passenger numbers. Decisions by, legal disputes with, financial difficulties at, or the failure of, a significant airline customer, or the withdrawal of their landing rights by the Government of India, could lead to a reduction in flights and passenger numbers and/or failure or delay in recovering revenues from aeronautical operations.

Recently, the Government of India has been actively pursuing divestment of Air India Group and, if successful, we cannot guarantee that the new management would retain the same frequency from the Airport. Further, we understand that Air India Group plans to scale down certain operations, and this would impact our revenues if flights to and from the Airport operated by Air India Group are reduced. In addition, the airline industry in India has been experiencing near term headwinds due to various operational challenges including, among others, poor financial health of airlines, grounding of aircrafts due to non-payment of aircraft lease, shortages of trained pilots and the grounding of the Boeing 737 MAX aircraft, leading to widespread cancellation of flights and a surge in ticket prices which in turn affect air passenger traffic. If any of our key customers were to reduce their use of the Airport or cease to operate at the Airport, we cannot guarantee that we would be able to derive revenue from other airlines to offset the loss of revenue from these key customers. In addition, as a result of this reliance, the growth of our revenue is effectively constrained by the number of flights operated by our key

customers, the number of passengers they service at the Airport and the size of the aircraft used by these airlines. The interests of our key customers may conflict with our interests, and their pricing policies, business strategies, marketing, capital expenditures and other initiatives may result in disputes or cause them to decrease their use of the Airport. If any of these key customers decreases their flights into and out of the Airport or there is a significant reduction in the number of passengers using these airlines or the size of the aircraft that they use, our results of operations could be adversely affected. We cannot assure you that our revenue generated from these key customers will reach or exceed historical levels in any future period. The loss of such customers could also impact our revenue from non-aeronautical operations or hospitality services. Any loss or cancellation of business from, or decreases in the rates we charge for our services to these, key customers could materially adversely affect our business, financial condition, cash flows and results of operations.

We are exposed to certain credit risks and we may be unable to collect on our receivables.

In recent years, many airlines have reported increased leverage and some have reported substantial losses. The financial health of these airlines has further deteriorated due to total or partial flight restrictions and lockdown restrictions imposed by the Government of India and subsequently truncated level of operations to contain the spread of COVID-19. Our revenues from certain airlines and other aeronautical services are typically secured by a performance bond or other types of guarantees, but such guarantees may not fully cover the amount owed by an airline at any time. In the event of insolvency of any of our customers, we may be unable to collect any or all amounts invoiced to that airline in respect of passenger charges. For example, we have incurred impairment losses on outstanding trade receivables due from Kingfisher Airlines and Air Costa, each of which no longer has active flight operations. In addition, due to default on rental payments, we incurred an impairment loss on receivables due from one of our space rental tenants in fiscal year 2018 and fiscal year 2019. For the months of April and May 2020, we waived the rental payments payable by certain of our airport concessionaires, primarily the ground handling agencies, flight kitchen operators, airline offices and other retail concessionaires due to the lockdown and non-operation of the Airport during such period caused by the COVID-19 pandemic.

In addition, should any of our principal airline customers refuse to continue to make payments to us, or should they refuse to pay increases in our charges for aeronautical services in future years, our results of operations, could be adversely impacted by decreased cash flows from operations.

Our primary exposure to credit risk arises through services provided to Air India Group, and as of September 30, 2020, significant receivables from Air India Group, comprising about a third of our total outstanding receivables, remain outstanding. Historically, we have experienced several delays in collecting trade receivables from Air India Group, which has had an impact on our working capital requirements during such periods of delay. In addition, due to the unpredictable timing of payments from Air India Group, we have experienced significant fluctuations in our collections on receivables. Air India recently acknowledged interest payable on delayed payment of invoices and has agreed to settle such interest, however, the payment of the same is yet to be received by us. Although we believe such amounts owed to us by Air India Group will be ultimately collectible, our failure to collect any such amounts would have a material adverse effect on our business, financial condition, cash flows and results of operations.

The interests of the GMR Group, our majority shareholder, may differ from the interests of GHIAL or the holders of the Notes.

The GMR Group, primarily through GMR Airports Limited, holds 63% of our shares, and also operates other airports, including Delhi's Indira Gandhi International Airport, under a concession arrangement similar to our Concession, and Mactan Cebu Airport, through a special purpose company in the Philippines with its majority shareholding partner Megawide Construction Corporation. Further, the GMR Group has also been awarded the concessions for a new airport in Mopa, Goa, India and an airport at Bhogapuram, India. The GMR

Group is also developing a new international airport in Greece. AAI is currently considering the privatization of six airports in India and GMR Group is expected to participate in the bids, which may dilute the GMR Group's focus on Hyderabad Airport.

Due to its significant holdings, GMR Group, in many instances, is in a position to control our management and operations and to determine generally the outcome of many matters requiring the consent of our board of directors. In addition, we rely on the support of the GMR Group for certain managerial and operational assistance, such as the management of our financing initiatives, interaction with the regulators and advice on strategic decisions. As the GMR Group manages a portfolio of different projects, the interests of the GMR Group may not coincide with our interests. We cannot assure you that the GMR Group would act completely in the interest of the holders of the Notes or that possible conflicts of interests would be resolved in favor of the holders of the Notes.

On February 20, 2020, GMR Infrastructure Limited announced that it had signed a share purchase agreement with Groupe ADP, pursuant to which Groupe ADP agreed to acquire a 49% stake in in GMR Airports Limited. As a part of the transaction, GMR Infrastructure Limited retains management control over GMR Airports Limited, with Groupe ADP having customary rights and representation on the boards of directors of GMR Airports Limited and its key subsidiaries, including GHIAL. The share purchase closed in July 2020 and Groupe ADP is in the process of appointing its board and management representatives in GHIAL. Although Groupe ADP has experience in the development and management of airports, differences may arise between GMR Infrastructure Limited and Groupe ADP in the management of GMR Airports Limited and the interests of GMR Infrastructure Limited and Groupe ADP may not always be aligned. Any such differences or disputes between the key shareholders of GMR Airports Limited could have a material adverse effect on our business financial condition, cash flows and results of operations.

On December 23, 2020, GMR Airports Limited entered into certain financing arrangements with Catalyst Trusteeship Limited as bond trustee, pursuant to which the bond trustee has rights to create a security interest over certain shares held by GMR Airports Limited in GHIAL upon the occurrence of certain events, including, non-payment by GMR Airport Limited to its secured parties, cross-default, insolvency and in connection with such arrangement, GMR Airports Limited has earmarked 188,139,600 shares of GHIAL under an unattested share pledge agreement. Any sale of pledged shares by the bond trustee in the exercise of its rights under the share pledge could trigger a Change of Control as defined in the indenture governing the Notes and the Existing Notes and if accompanied by a ratings decline, a Change of Control Triggering Event requiring us to make an offer to purchase all outstanding Notes and Existing Notes at 101% of the principal amount thereof plus accrued and unpaid interest, if any. See "—We may not be able to repurchase the Notes upon a Change of Control Triggering Event or redeem the Notes upon a Mandatory Redemption."

We have entered into, and will continue to enter into, related party transactions, and there can be no assurance that we have achieved as favorable terms as had such transactions not been entered into with related parties.

As permitted under the SHA, we have entered into transactions with several related parties, including entities controlled by our majority shareholder, the GMR Group. While we believe that all such transactions have been conducted on an arm's-length basis and in accordance with the provisions under the SHA, there can be no assurance that we have achieved as favorable terms as had such transactions not been entered into with related parties. Furthermore, we will enter into related party transactions in the future. Any future transactions with our related parties could potentially involve conflicts of interest. These related party transactions include sales and purchases of goods, rendering of services, sales and purchases of fixed assets, payments of dividends, the making and borrowing of loans and capital advances. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our business, financial condition, cash flows and results of

operations. For further information regarding our related party transactions, see "Certain Related Party Transactions."

AAI acts as our shareholder and indirect competitor and this may give rise to conflicts of interest.

We may face or suffer potential conflicts of interest arising from the fact that AAI plays multiple roles in our business. While we have entered into several agreements and contracts with AAI in relation to our Concession, including a shareholders agreement governing AAI's equity ownership in GHIAL, in some instances AAI may also be regarded as our competitor. For example, in one role AAI holds 13% of the shares in GHIAL, and pursuant to the terms of the SHA, each of AAI and the State Government has the right to nominate at least one director to our board of directors, each irrespective of their shareholding and even if they cease to hold any of our shares, and AAI also has certain corporate governance rights, including the authority to veto certain reserved matters at the GHIAL board and shareholder levels. See "Business—Our Concession—Shareholders Agreement—Board of Directors and Reserved Matters." AAI is responsible for communication navigation and surveillance, and air traffic management services at the Airport, while other governmental agencies are also responsible for providing certain services, such as customs, immigration and security services in respect of aeronautical assets, health, meteorology and quarantine. In another role, however, AAI is an operator of other airports in India under the Ministry of Civil Aviation. Since AAI also has interests in the operations of other airports, certain conflicts of interest (including in terms of actual or perceived public or national interest or policy objectives) may arise, and there can be no assurance that AAI will act in our favor, which may result in loss of our business, restrictions on our operations and materially adversely affect our business, financial condition, cash flows and results of operations. For example, the Adani Group was recently awarded the bid to upgrade and operate airports of Mangaluru (Mangalore), Thiruvananthapuram (Trivandrum), Lucknow, Jaipur, Ahmedabad and Guwahati by AAI. The Adani Group also acquired a majority stake in Chhatrapati Shivaji Maharaj International Airport in Mumbai. The Adani Group is a direct competitor to the GMR Group and AAI would be a common stakeholder in both the Adani Group and the GMR Group, leading to potential conflicts of interests.

Increases in aviation fuel prices could result in airlines increasing their airline ticket prices, which, in turn, could reduce demand for air travel.

Aviation fuel costs represent a significant part of the operating costs of all airlines, including those which use the Airport. Aviation fuel prices have experienced periods of significant increases in the past, due to a number of factors including, but not limited to, macroeconomic conditions, regional hostilities in areas such as the Middle East and oil industry production-limitations, and may be subject to further increases in the future. Such increases in airlines' aviation fuel costs have, in the past, resulted in higher airline ticket prices and, in turn, have decreased demand for air travel. Accordingly, any such future increases in aviation fuel prices could result in further increases in airline ticket prices and decreased demand for travel on airlines which use the Airport, thereby adversely affecting our revenues and results of operations. Moreover, increased aviation fuel prices likely will have a more pronounced and adverse impact on those airlines which use less fuel-efficient airline fleets, a group which could include some of the airlines which use the Airport. Such an impact would, in turn, have a negative effect on our revenues and results of operations.

International and domestic events could have a negative impact on international air travel.

Historically, we have derived a substantial amount of our revenue from aeronautical services, a principal source of which is user development fees. User development fees (including passenger service fees) are payable for each passenger (other than diplomats, infants and transit passengers) arriving at and departing from the Airport. In the six months ended September 30, 2020 and 2019 and fiscal year 2020, 2019 and 2018 , revenue from user development fees (including passenger service fees) directly represented 14.8%, 59.3%, 58.9%, 61.1% and 62.6%, respectively, of our total aeronautical revenue. Catastrophic events involving passenger aircrafts have

a negative impact on the aviation industry, such as the recent aircraft crashes which have led to the grounding of Boeing 737 MAX aircrafts by aviation regulators globally and put upward pressure on fares. Events such as Brexit, the war in Syria, unrest in Ukraine, international tension on the border between India and China/Pakistan and on the Korean Peninsula, natural disasters such as the recent floods in Hyderabad in October 2020, Chennai and other parts of Tamil Nadu in November 2015, the volcanic eruptions in Iceland in 2011 and the Indian Ocean earthquake and tsunami in 2004 and public health crises, such as the COVID-19 outbreak in Asia and globally, the Ebola outbreak in the western and central regions of Africa, the SARS crisis, outbreak of the Zika virus and the swine flu (H1N1) epidemic may negatively affect the frequency and pattern of air travel worldwide. The COVID-2019 pandemic is ongoing and has had a significant impact on our results of operations and financial condition to date and, while the long-term impact of COVID-19 our business remains uncertain, preliminary indications suggest the restrictions on international and domestic travel imposed by the Indian Government and the governments of other countries, as well as health concerns related to a pandemic by passengers will result in a reduction in air passenger traffic at the Airport and other airports for the next couple of years. Furthermore, we are not able to predict whether the COVID-19 pandemic will result in permanent changes to consumer behavior, with such changes including but not limited to a permanent reduction in business travel as a result of increased usage of virtual, video conferencing and teleconferencing platforms and more broadly a general reluctance to travel by consumers, each of which may have a material impact on our business. As a result, it is expected that the COVID-19 pandemic will continue to have a severe impact on our business, financial condition, cash flows and results of operations.

The effect of such incidents on the aviation industry may include increased security and insurance costs, increased concerns about future terrorist attacks, airport shutdowns, flight cancellations and delays due to security breaches and perceived safety threats, and reduced passenger traffic due to the subsequent drop in demand for air travel globally. Because our revenue is largely dependent on the level of passenger traffic at the Airport, any general increase of hostilities relating to reprisals against terrorist organizations, tension on the international borders of India, outbreaks of health epidemics or other events of international concern (and any negative economic impact from such events) could result in decreased passenger traffic and increased costs to the air travel industry and, as a result, could have a material adverse effect on our business, financial condition, cash flows and results of operations.

Terrorist attacks may have a severe negative impact on the international air travel industry.

As with other airport operators, we are subject to the risk of terrorist attacks. The terrorist attack on the United States on September 11, 2001 had a severe adverse impact on the air travel industry. Significant terror attacks have occurred in the past in India, most recently in Mumbai in 2008 and 2011, in Delhi in 2011, in Uri in 2016 and most recently in Pulwama in the state of Jammu and Kashmir in 2019. India has, from time to time, experienced domestic social and civil unrest and hostilities with neighboring countries, such as Sri Lanka and Pakistan. Isolated troop conflicts and terrorist attacks continue to take place in south Asian region. The potential for hostilities between India and Pakistan could be particularly threatening because both India and Pakistan are nuclear powers. These hostilities and tensions could lead to political or economic instability in India and a possible material adverse effect on our business, financial condition, cash flows and results of operations.

Military activity or terrorist attacks in the future could adversely impact the Indian economy by disrupting communications and making travel more difficult, and such tensions could create a greater perception that investments in Indian companies involve higher degrees of risk. In addition, any deterioration in international relations may result in investor concern regarding regional stability which could adversely affect the price of the Notes. Such incidents could also create an increased perception that investment in Indian companies involves a higher degree of risk and could materially adversely affect our business, financial condition, cash flows and results of operations.

In the event of a terrorist attack directly on the Airport, airport operations would be disrupted or suspended, resulting in the cancellation or delay of flights during the time necessary to conduct rescue operations, investigate the incident, and repair or rebuild damaged or destroyed facilities. Even after restoration of operations subsequent to a terrorist attack, we may experience decreases in traffic due to increased perceptions of risk. Security measures taken to comply with future security directives or in response to a terrorist attack or threat could reduce passenger and cargo capacity at the Airport due to increased passenger and baggage screening, slower security checkpoints, impose additional limitations on airport capacity for retail space, and increase our operating costs. We may not be able to pass on any additional operating costs we incur as a result of increased security. Any terrorist attacks would likely have a negative impact on the reputation of the Airport and could lead to fewer airlines and passengers using the Airport. In addition, our insurance policies do not cover all losses and liabilities resulting from terrorism, and our future insurance premiums would likely increase. All of the above factors may have a substantially adverse effect on our business, financial condition, cash flows and results of operations.

Failure in our airport security could have a material adverse effect on us.

Airport security is the responsibility of the Government of India. We are responsible, however, for adopting security measures at the Airport necessary to assist the Government of India in protecting the public and procuring the security of passengers. Under the terms of the Concession Agreement, we are responsible for installing, maintaining and replacing all such security equipment to the required norms and standards under the Concession Agreement. We are also responsible for providing certain space and facilities necessary for the Government of India to provide its required security measures. Security measures taken by us or the Government of India to comply with future security directives or in response to a terrorist attack or threat could reduce passenger capacity at the Airport due to increased passenger screening and slower security checkpoints. In addition, any failure in any of the security measures at the Airport that results in a serious security breach or a public security scare may result in reputational damage to passenger traffic, which would have a material and adverse effect on our business, financial condition, cash flows and results of operations.

Our strategy to develop commercial property projects at the Airport may be unsuccessful.

In connection with our Concession, we have designated approximately 1,500 acres at the Airport for certain commercial purposes. Through our subsidiaries, we have secured leases for an area of approximately 194.5 acres at the Airport as of September 30, 2020, including the recently signed joint venture for the establishment of a 66 acre logistics and industrial park at the Airport. A number of local and national real estate companies also focus on developing projects in the commercial property segment in Hyderabad, and the market for commercial property is thus extremely competitive. Moreover, the business of commercial property development may be affected by many external factors, such as demand for and supply of commercial property, and the economic, regulatory and political environment. Commercial property development in India is highly regulated at the state and local level, as well as cyclical, which could result in time and cost overruns in the event that the development companies are unable to obtain necessary approvals and permits in time or to negotiate and manage customer contracts such that their cash flows are not disrupted. Additionally, the proximity of some of our land parcels to the Airport (which is considered a high security area) may raise security concerns and require our lessees to comply with more stringent security requirements as compared to commercial property elsewhere, thereby requiring them to incur higher costs to comply with such security requirements, along with the possibility of delays in obtaining security clearances from security agencies, which may adversely affect the demand for our land parcels and adversely affect the revenues we can expect to generate from such land.

In particular, the success of our commercial property developments could be adversely affected by the inability of customers to obtain credit to finance the acquisition of interests in our commercial properties, delays in obtaining requisite approvals (including security clearances), shortages of required construction materials,

equipment and labor, labor unrest, or disputes with or insolvency of key contractors resulting in construction delays, or disputes with, or insolvency, of key tenants in our commercial and retail properties. Some of these factors could adversely affect the ability of the lessees to pay their lease rentals to us. Further, we are exposed to risks generally associated with the long-term leasing of real property to third parties, such as a decline in rental market demand, occupancy rates or rent levels, non-payment by tenants or a weakening of the commercial real estate market. Moreover, our commercial property assets being on or adjacent to the Airport serves a particular sector of the rental market, thus exposing us to fluctuations in this specific market. The COVID-19 pandemic has significantly impaired our ability to secure new customers. For example, one of our customers who had earlier entered into a land lease agreement for four acres has sought exit, as its growth plan was adversely impacted by COVID-19.

Any of these risks could adversely affect the profitability of our commercial property development activities and, consequently, our business, financial condition, cash flows and results of operations.

We are exposed to general risks associated with the ownership and management of real property.

We are subject to risks incidental to the ownership and management of retail, office, residential and hospitality properties including, among other things, competition for tenants, changes in market rents, inability to renew leases or re-let space as existing leases expire, inability to collect rent due to tenant bankruptcy or insolvency or otherwise, inability to dispose of major investment properties for the value at which they are recorded in our consolidated financial statements, increased operating costs, the need to renovate, repair and re-let space periodically and to pay the associated costs of wars, terrorist attacks, riots, civil commotions, natural disasters and other events beyond our control. In addition, property investment is subject to certain risks, including, among other things, decreases in demand for vacant or developed land, fluctuations in rental rates and an inability to dispose of investment properties at market prices. Our activities may also be impacted by changes in laws and governmental regulations in relation to property, including those governing usage, zoning, taxes and government charges. Such revisions may lead to an increase in management expenses or unforeseen capital expenditure to ensure compliance. Rights related to the relevant properties may also be restricted by legislative actions, such as revisions to the laws relating to building standards or town planning laws, or the enactment of new laws related to government appropriation, condemnation and redevelopment.

Our results of operations may fluctuate from period to period due to the cyclical and seasonal nature of the air transportation industry.

Since the air transportation industry is vulnerable to economic cycles, the air transportation industry has historically experienced significant financial losses during economic downturns and periods of political and social instability. Any future general reduction in passenger traffic (which may be caused by economic, political and social factors that we cannot control) may adversely affect our financial condition, cash flows and results of operations. In addition, the industry tends to be seasonal in nature, and we typically experience increased passenger traffic, in particular international passenger traffic, and ATMs in the second half of each fiscal year as travelers visit southern India during school holidays and due to the relatively cooler weather, and lower passenger traffic and ATMs in the first half of each fiscal year.

A certain portion of our non-aeronautical operations is conducted by a joint venture that we do not control or may not operate solely for our benefit. We may in the future conduct more of our business through such joint ventures.

We have entered into joint ventures with third parties as part of our business and growth strategy, such as Laqshya Media Private Limited in respect of Laqshya Hyderabad Airport Media Private Limited, our joint venture in which we own 49.0%, which develops, operates, markets and manages the advertising media units

inside and outside the terminal building, and our joint venture with ESR to develop a logistics and industrial park at the Airport. In our joint ventures we share ownership and management of a company with one or more parties who may not have the same goals, strategies, priorities, or resources that we do. Operating a business as a joint venture often requires additional organizational formalities, as well as time- consuming procedures for sharing information and making decisions. In our joint ventures, we are required to pay more attention to our relationship with our co-owners, and if a co-owner changes, our relationship may be materially and adversely affected. Additionally, our influence over the corporate governance of our and/or joint venture companies may be limited. In addition, the benefits from a successful and/or joint venture are shared among the co-owners, so we do not receive all the benefits from our successful joint ventures. The success of our joint ventures depends significantly on the satisfactory performance by our co-owners of their contractual and other obligations. As we do not control our co-owners, we face the risk that they may not fulfill their obligations. In such a circumstance, we may be required to make additional investments, which could result in reduced profits or, in some cases, significant losses. In addition, due to the prevalence of digital marketing and social media, the allocation spend of customers to traditional formats of advertising is dwindling which may affect our advertising business. For a description of our subsidiaries and/or joint venture, see "Business—Subsidiaries and Joint Venture."

Investments through joint ventures may involve certain other risks, including the possibility of joint venture partners failing to meet their financial obligations on time or at all. If any of these joint ventures is unable to satisfy its debt service requirements, its lenders may foreclose on our shares in it, which could have a material and adverse effect on our business, financial condition, cash flows and results of operation. In addition, we may be required to make additional investments in our joint ventures to maintain our equity interest and any failure to make such investments due to a lack of funds or any other reason could significantly dilute our ownership in such joint ventures and have a material and adverse effect on our financial condition and results of operation. Such investments may also run the potential risk of impasses on certain key decisions. Any disputes that may arise between us and our joint venture partners may cause delay in completion, suspension or complete abandonment of a project. For example, in 2018, we had entered into arbitration proceedings with, Menzies Aviation PLC, to buy back their stake in our subsidiary, GMR Air Cargo and Aerospace Engineering Limited, (cargo division, formerly known as Hyderabad Menzies Air Cargo Private Limited) which we purchased in November 2018. In addition, we may, in certain circumstances, be liable for the actions of our joint venture partners, or be limited in our ability to increase our equity interest or divest our equity interest in the joint venture, any of which could materially and adversely affect our business, financial condition, cash flows and results of operations.

Our revenue and profitability may decline if we fail in our business strategy.

Our ability to increase our revenue and profitability will depend in part on our business strategy, which consists of increasing our airport users' consumption, developing infrastructure to accommodate expected growth in passenger traffic and continuing to improve the commercial offerings at the Airport.

Our ability to increase our revenue from commercial activities depends heavily on increasing passenger traffic at the Airport, among other factors. COVID-19 has significantly impacted passengers' travel plans and buying behaviors and overall trends in passenger traffic, requiring us to reconsider our strategies and be more innovative in conducting our non-aeronautical businesses. We cannot assure you that we will be successful in implementing our strategy of increasing our revenue from commercial activities. The passenger traffic volume in the Airport depends primarily on factors beyond our control, such as the attractiveness of the commercial, industrial and tourist centers that the Airport serves, as well as economic, social and political conditions generally. Accordingly, there can be no assurance that the passenger traffic volume in the Airport, and the resulting revenues derived from commercial activities, will increase.

Our airport competes with other modes of transport to and from Hyderabad, as well as other destinations and airports in India. Due to COVID-19, we are also competing with "video conferencing" and similar platforms, which has made it possible for people to interact virtually rather than travel to attend meetings physically.

The airport business is dependent on passenger and air cargo traffic, which compete with each other and with alternative modes of transportation, particularly transport by highways and rail. In India, although air travel is generally significantly more convenient and comfortable for passengers, the cost of air travel is usually much higher than the cost of travel by highways and rail. Cargo transport by highways and rail are the principal sources of competition to air cargo traffic, particularly in the case of large or heavy loads or goods for which speed is not a priority. In recent years, large investments have been made in the improvement of the rail network and highways in India. This may further intensify the competition for passenger and freight traffic between air transport and transport by highways or rail.

The principal factor affecting our business is the number of passengers that use the Airport. The number of passengers using the Airport is dependent upon the level of business and economic activity in India and elsewhere, and our passenger traffic volume may be adversely affected by economic instability. In addition, our passenger traffic volume may be adversely affected by the attractiveness, affordability and accessibility of competing tourist destinations in South Asia and Southeast Asia, such as Sri Lanka, Thailand, Indonesia and the Philippines. The attractiveness of the destinations served by airlines from the Airport is also likely to be affected by perceptions of travelers as to the safety and political and social stability of India. There can be no assurance that business activity and tourism levels, and therefore the number of passengers using the Airport, will, in the future, match or exceed current levels.

We currently face significant competition from other airports in southern India, such as Bangalore and Chennai, and from other airports in India, including Mumbai's Chhatrapati Shivaji International Airport, Delhi's Indira Gandhi International Airport and Kolkata's Netaji Subash Chandra Bose International Airport. We may face competition from other airports such as the airports of Vijayawada and Rajmundry being developed in the neighboring state of Andhra Pradesh. Any attempts we make to develop the Airport into a hub for international airlines will involve competition with these airports. Currently, no airline is using the Airport as its primary base of operations, and the Airport's potential to attract airlines to use it as an aviation hub depends on factors such as connectivity (that is, the number of connecting flights available for arriving airlines), capacity and passenger satisfaction levels. There can be no assurance that the Airport will become a hub for any domestic or international airlines or successfully compete with other airports in India or around Asia. Furthermore, any arrangements with an airline for using the Airport as a hub will likely not be for any definite period and may be terminated at any time. Such an event is likely to have an adverse effect on our revenues and result of operations.

Furthermore, the COVID-19 pandemic has changed the travel dynamics, particularly for our business travel passengers as a result of increased usage of virtual, video conferencing and teleconferencing platforms (such as Zoom, Microsoft Teams, WebEx and so on), which has made it possible for people to interact virtually rather than travel to attend meetings physically amidst the COVID-19 pandemic. We may face significant competition as such platforms advance, and there can be no assurance that the need to meet in person will not become obsolete leading to a permanent reduction in business travel, and more broadly a general reluctance to travel by consumers, each of which may have a material impact on our business. If our Airport is unable to compete effectively with other modes of transport or other airports, as applicable, or the relative costs of air traffic are too high, or if the COVID-19 pandemic has changed business behavior so that business people interact virtually rather than travel to attend meetings physically so that our competition with virtual, video conferencing and teleconferencing platforms increases, our business, financial condition, cash flows and results of operations may be materially and adversely affected.

A change in relations with our labor force could have an adverse impact on our business.

The airport industry in particular has been subject to work stoppages and strikes. Although we believe we currently maintain good relations with our labor force, any conflicts with our employees resulting in strikes or other disruptions could have a negative impact on our business. We cannot assure you that we will be able to prevent our employees from undertaking work stoppages.

Further, India has stringent labor legislation that protects the interests of workers. This legislation sets out detailed procedures for industrial dispute resolution and employee compensation for injury or death sustained in the course of employment and imposes financial and other obligations on the employer in respect of occupational health and safety and in case of lay-offs (and also, in certain circumstances, on the principal employer, where a contractor does not or cannot fulfill its obligations towards its employees). Such labor legislation may restrict our ability to maintain flexible human resource policies or to downsize our operations. If we terminate any of our employment contracts without cause, we may be required by Indian labor law to make severance payments. There are proceedings against us pertaining to the termination of some of our employees. Further, we cannot assure you that we will not have to terminate employees without cause, subjecting us to payments which could, in the aggregate, materially and adversely affect our business, financial condition, cash flows and results of operations.

As of September 30, 2020, GHIAL employed 691 employees, and through our subsidiaries we employed an additional 1,461 employees. There are also contract laborers working at the Airport, the number of which varies from time to time based on the nature and extent of work contracted to independent contractors. All contract laborers engaged at our facilities are assured minimum wages fixed by the relevant state governments and are paid and insured by us directly.

While we believe that such a high proportion of employees on contract gives us the necessary flexibility and helps us run our business in an efficient and cost-effective manner, it also makes us more susceptible to sudden shortages of skilled personnel in the markets in which we operate, whether driven by competitors or otherwise.

A significant portion of our workers at the Airport, including contract laborers, are represented by labor unions. We have not had any material incidents or issues with labor unions in the past and we consider the current labor relations to be good, but there can be no assurance that we will not experience future disruptions to our operations due to disputes or other problems with our work force, which could adversely affect our business and future results of operations.

Any upward revision of wages, offers of permanent employment or unavailability of the number of contract laborers we require may have a material adverse effect on our business, prospects, results of operations, cash flows and financial condition.

We have certain contingent liabilities which, if materialized, may adversely affect our financial condition.

We have certain contingent liabilities for which we are not required to take provisions determined in accordance with (i) under Ind-AS 37 (Provisions, Contingent Liabilities and Contingent Assets) with respect to our consolidated financial statements prepared under Ind-AS and included elsewhere in this offering memorandum. This includes demands against us in certain taxation related matters related to depreciation on financial leases and other issues. These matters are pending adjudication at various levels and any adverse order may impact our financial condition. Further, the contingent liability of amounts disclosed in our audited financial statements represents estimates and assumptions of our management. See note 37 to the 2020 Audited Consolidated Financial Statements and note 6 to the Unaudited Interim Consolidated Financial Statements, in

each case, included elsewhere in this offering memorandum. If any of these contingent liabilities materialize, our financial condition may be adversely affected.

We are exposed to risks inherent to the operation of airports.

While the Government of India, through the Central Industrial Security Force, provides security services at the Airport, we are also obligated to protect the public and to reduce the risk of accidents at the Airport. We must implement measures for the protection of the public, such as hiring private security services, maintaining the Airport's infrastructure and fire safety in public spaces, and providing emergency medical services. We are also obligated to take certain measures related to our aeronautical services, such as maintenance, management and supervision of aeronautical assets, rescue and fire-fighting services for aircraft, measurement of runway friction coefficients, flood control measures and measures to control the threat from birds and other wildlife at the Airport Further, we are required to build medical infrastructure such as quarantine facilities, laboratory testing facilities and employ resident medical officers to respond to medical emergencies on account of pandemics like COVID-19. These obligations could increase our liability to third parties, such as due to personal injury or property damage, thereby adversely affecting our business, financial condition, cash flows and results of operations.

Airports are exposed to the risk of incidents, including accidents, as a result of a number of factors, including extreme weather conditions, movement of large number of passengers, variable aircraft movements, traffic congestion, equipment failure, human error and terrorist activities. These incidents could result in injury or loss of human life, damage to airport infrastructure, short or long term closure of an airport's facilities and damage to the reputation of the Airport and may have an impact on passenger traffic levels, which in turn could have a material adverse effect on our business, financial condition, cash flows and results of operations.

Routing and other operational decisions by airlines or airline alliances can affect traffic volumes and our operations.

Routing, stop-over and connection decisions or the creation or designation of a hub by individual airlines or airline alliances could result in significant shifts in passenger flows. Although Indigo uses the Airport as their South India hub, there is no assurance that they will continue using it as they currently do. In addition, an airline's decision to use larger or smaller types of aircraft at our airports could result in changes to operational and facility requirements, which may require us, for example, to modify or construct new gate facilities to accommodate new, larger aircraft operated by airlines. We currently have a number of gate facilities at the Airport, able to accommodate new, larger aircraft operated by various airlines that utilize the Airport, such as the Airbus A380. However, we may be unable to adapt in time for any future developments in new aircraft that require modifications to our existing facilities. Airline or airline alliance routing and hub designation decisions may affect the revenue we derive from landing charges, parking and housing charges, baggage x-ray charges and user development fees or may require us to incur substantial costs in establishing new types of facilities and services. These and other possible activities and operational decisions by airlines or airline alliances could have a material adverse effect on our business, financial condition, cash flows and results of operations.

Significant maintenance errors could harm our business and subject us to product liability claims.

The success of our MRO business depends in large part on our ability to develop and maintain our reputation for safe and reliable maintenance, repair and overhaul services over the long term. Safety and reliability in our highly technical and labor-intensive business depend on advanced maintenance procedures and on our ability to minimize human errors. We must continue to develop technical expertise, training and quality assurance strategies to ensure the safety of the aircraft that we service. A significant safety problem on any

aircraft that we service could lead to a loss of certification by domestic or foreign aviation authorities, a loss of customers and a decline in our business prospects and results of operations. For example, our EASA certification was suspended from mid-2016 to early 2017 due to EASA's audit finding that we failed to record several defects discovered during a major scheduled maintenance event and assess their impact on flight safety, a situation which we subsequently rectified in order to reinstate our certification. In December 2018, our EASA certification was again suspended due to an audit finding that we failed to record certain defects discovered during a major scheduled maintenance event and assess their impact on flight safety, a situation we rectified through process improvements and quality checks and which resulted in the reinstatement of our EASA certification in October 2019. Any future suspension of our EASA certification may have an adverse impact on our contracts with our customers, including our contracts with Indigo and Spice Jet. See "—Our business is subject to extensive and evolving Indian law and regulations" for further details.

In addition, our MRO business subjects us to possible claims for personal injury or death which may result if an aircraft which we have serviced fails or if we are negligent in maintaining, repairing or overhauling an aircraft. We cannot assure you that claims will not arise in the future or that our insurance coverage will be adequate to protect us in all circumstances. Additionally, we cannot assure you that we will be able to maintain adequate insurance coverages in the future at an acceptable cost. Any product liability claim or indemnity claim by our MRO customers not covered by adequate insurance could materially adversely impact our business, financial condition, cash flows and results of operations.

Our MRO business faces substantial and increasing competition.

We face significant competition in our MRO business. Many major commercial airlines operate their own MRO units and sell airframe and component repair and overhaul services to other aircraft operators. MRO providers are forging global alliances in regions that are outside their original markets. For example, Lufthansa Technik AG, based in Germany, has formed a joint venture with Air China to form one of China's largest providers of MRO services and has announced the signing of a letter of intent to establish another joint venture in the Philippines to service the fleet of Philippine Airlines aircraft. Increasing entry into the Asia Pacific region by other MRO providers would result in increased competition for us in attracting new airline customers based in the region and could adversely affect our results of operations.

Original equipment manufacturers, or OEMs, also maintain service centers that provide repair and overhaul services for components which they manufacture. Original equipment manufacturers have begun to provide wide networks of service centers throughout the world and many have established operations in India, and more OEMs may establish service centers in India in the future. These OEMs may compete with us in the component repair and overhaul business.

We rely on OEMs to provide us with access to tooling design and parts and to proprietary information regarding many of the sophisticated components we repair and overhaul. The increasing entry of many OEMs into the service market could result in their restricting our access to these designs, parts and information. Any significant restriction on our ability to access these designs, parts and information would adversely affect our ability to increase the depth and breadth of our service offerings.

The growth of our MRO business is also limited by the available hanger capacity at the Airport, which could hamper our ability to access the larger market for aircraft operating within five to six hours' flight distance from the Airport. The availability of sufficient customs and immigration facilities may also hamper the growth prospects of our MRO business if it results in our being unable to source required parts.

Our MRO business has not been profitable, has accumulated losses eroding its net worth and has incurred cash losses in the past few years. Furthermore, the introduction of a comprehensive Goods and Services Tax

("GST") in India has affected the competitiveness of MRO services in general in India as compared to regional competitors. The profitability of our MRO business depends on the renewal of contracts with commercial airlines to recover the costs of delivering our MRO services. Our MRO contracts with airlines generally carry terms of 24 to 36 months. We cannot guarantee that airlines will chose to renew their contracts with us upon expiration, and due to domestic and regional competition, our ability to negotiation renewals on the same or better terms is limited. Furthermore, our contracts are not exclusive, so the success of our MRO business depends on the consistent flow of aircraft through the Airport and our ability to perform the maintenance work within the required timeframe. Our MRO business was combined with our cargo business pursuant to a court-approved merger in order to stabilize its financial condition. Although the outlook for our MRO business has improved, we cannot guarantee that our MRO business will be successful, and any deficiency in our performance would have an adverse effect on the profitability, financial condition, cash flows and results of operation of our MRO business.

Our hotel business is subject to all of the risks common in the hospitality industry.

A number of factors, many of which are common to the hotel industry and beyond our control, could materially and adversely affect occupancy levels and revenue at our Novotel Hyderabad Airport Hotel, including but not limited to the following:

- increased threats of terrorism, terrorist events or airline strikes, increases in supply costs, airline fares and other expenses relating to travel or other factors that may affect travel patterns and reduce the number of business and commercial travelers and tourists and other factors that may not be offset by increased room rates;

- increased competition from other hotels in Hyderabad for guests;

- new hotel supply in Hyderabad, which could harm occupancy levels and revenue at our hotel;

- dependence on business and commercial travel, leisure travel and tourism, all of which may fluctuate and be seasonal;

- increased operating costs due to inflation, labor costs, workers' compensation and health-care related costs, utility costs, insurance and unanticipated costs such as acts of nature and their consequences and other factors that may not be offset by increased room rates;

- increased need for maintenance or capital improvements;

- contract disputes with our hotel operator or other key parties;

- adverse effects of international market conditions, which may diminish the desire for leisure travel or the need for business travel, as well as national, regional and local economic and market conditions in Hyderabad and India;

- health scares and outbreaks of contagious diseases, including the ongoing global outbreak of COVID-19;

- changes in regulations or changes in the application of regulations in Hyderabad and India, which could affect any applicable government licenses necessary to operate our hotel; and

- adverse effects of a downturn in the hotel industry.

The hospitality industry is highly competitive, and due to our hotel's proximity to the Airport, our primary customers are airline crews, transit passengers and certain business travelers. However, the city of Hyderabad offers a wide range of hotels and other hospitality options at competitive prices, and we, by virtue of our location, have had and will continue to have difficulty attracting customers away from such alternatives, which difficulty is expected to increase along with the improved transit connectivity between the Airport and the city of Hyderabad.

The facilities of the Novotel Hyderabad Airport Hotel are nearly 10 years old and are in need of improvement. We have recently begun a program of restoration and renovation to address the situation, during which time certain blocks of rooms will be unavailable for booking and thus left unoccupied, which will adversely impact our hotel revenue in fiscal year 2021. Occupancy at the hotel has been severely impacted in fiscal year 2021 by the COVID-19 pandemic, which has resulted in sharp declines in tourism and hotel occupancy rates industry-wide. Our hotel occupancy and average room rent were 18.9% and Rs. 3,157.3, respectively, for the six months ended September 30, 2020, compared to 63.7% and Rs. 6,012.7, respectively, for the six months ended September 30, 2019. For the nine months ended December 31, 2020, our hotel occupancy and average room rate were 25.4% and Rs. 4,074, respectively, compared to 68.3% and Rs. 6,070.2, respectively, for the nine months ended December 31, 2019. The lower occupancy and consequently lower revenue realization, if continued, will adversely affect our cash flows and may adversely affect our ability to service our debt obligations. Our airport hotel business is managed by AAPC India Hotel Management Private Limited, a member of the Accor Group, and the hotel is run under the brand "Novotel." The management contract with Accor Group is valid until September 13, 2025; however, the term can be reduced upon the occurrence of certain events such as a shortfall in budgeted operating profit for two consecutive years or a default by the operator under the agreement. If the management contract is terminated or not renewed, we will be required to find an alternative hotel manager. The success of our hotel business to a large extent is dependent upon our ability to identify and engage a manager to operate the hotel, and any delay or failure in securing a manager on reasonable terms would have adverse effect on our business, financial condition, cash flows and results of operation.

The operations of the Airport may be affected by actions of third parties, which are beyond our control.

The operation of the Airport is largely dependent on the services of third parties, such as the Central Industrial Security Force, and the Government of India for the rendering of services to passengers and airlines, such as air traffic control, security, electricity, immigration and customs services, plant and animal quarantine services, health services and meteorological services. In addition, we are dependent on third-party providers of certain complementary services such as baggage handling, fuel services, catering and aircraft maintenance and repair. Rail, bus and taxi services at the Airport are also provided by third party ground transportation providers. We are not responsible or liable for, and cannot control the services provided by these third parties. Any disruption in, or adverse consequence resulting from, their services, including a work stoppage or other similar event, could have a material adverse effect on our business, financial condition, cash flows and results of operations.

We are exposed to risks related to handling cargo.

The air cargo system at the Airport is a complex, multi-faceted network that handles a vast amount of freight, packages and mail carried aboard passenger and all-cargo aircraft. The air cargo system is vulnerable to security threats, some of which are beyond our control including potential plots to place explosives aboard aircraft, illegal shipments of hazardous materials, criminal activities, such as smuggling and theft and potential hijackings and sabotage by persons with access to aircraft. Although we have put into place several procedural and technology initiatives to enhance air cargo security and deter terrorist and criminal threats, we may be subject to related risks or the reduction of our cargo traffic volume. The occurrence of such events could adversely affect our business, financial condition, cash flows and result of operations.

We are required to make significant investment to increase cargo handling capacity.

Pre-COVID-19, the air cargo facility at the Airport was approaching full capacity and we would have been required to make significant capital investments to increase the capacity to address the growth opportunity. We are also constructing a second cargo terminal with an area of approximately 10,000 square meters and a cargo handling capacity of 50,000 metric tons per year, in connection with which we have engaged an additional cargo operator through competitive bidding. The target commercial operation date for the second cargo terminal is December 2021. The new cargo operator may compete directly with our existing cargo subsidiary, affecting its profitability. Hence our investment in the cargo business may not yield desired return in the medium to long run adversely affecting our business, financial condition, cash flows and result of operations.

We are exposed to the risk of non-performance by our concessionaires and licensees.

We have granted concessions and licenses to third parties and our joint ventures to provide certain services which are necessary for our operations, such as activities relating to commercial air transport, including line maintenance, fuel distribution, ground handling services, platform services, retail, food and beverage and catering. In the event that our concessionaires or licensees fail to perform their obligations under our agreements with them, we could incur extra costs in replacing them or the services provided by them in order to comply with our obligations.

We may not be able to enter into or renew certain of our revenue generating and other commercial agreements on terms that are acceptable to us, or at all.

We have entered into various revenue generating and other commercial agreements for the purposes of our business at the Airport and are dependent on ongoing commercial relationships with certain third parties. We have formed joint ventures and continue to enter into agreements to form joint ventures or for other commercial or retail business carried out in and around the Airport. We will seek to renew or replace such agreements as and when they expire. However, if we are unable to renew or replace the contracts on economically beneficial terms, or at all, it could have a material adverse effect on our business, financial condition, cash flows and results of operations.

The joint review and audit reports from our independent joint auditors in respect of our consolidated financial statements contain certain qualification(s) and/or emphasis of matters.

As at September 30, 2020, the Group has goodwill of Rs. 362.7 million (US$4.9 million) on additional investment by the Company in its subsidiary GACAEL, through which our MRO and cargo business is operated. GACAEL has accumulated losses eroding its net worth and has incurred cash losses in the past few years. The future economic benefit from such goodwill is dependent upon the ability of the GACAEL to scale up its operations in the future and achieve sustained profitability. As at September 30, 2020 and 2019 and March 31, 2020, 2019 and 2018, our consolidated financial statements do not include any adjustment relating to impairment of goodwill.

The joint audit reports with respect to our 2019 Audited Consolidated Financial Statements and our 2018 Audited Consolidated Financial Statements were each qualified by the respective independent joint auditors on their inability to comment on the carrying value of such goodwill. In addition, the joint audit reports with respect to the adequacy and the operating effectiveness of the internal financial controls over the financial reporting of the Group for the years ended March 31, 2019 and 2018 were qualified to indicate material weakness in the operating effectiveness of controls relating to such assessment of the carrying amount of goodwill. In addition, each of our audit reports and our review report for the six months ended September 30, 2020 includes an

emphasis of matter on the adjustment of costs related to residential quarters for Central Industry Security Force against the PSF (SC) Fund, which is pending the final decision of the Honorable High Court of Hyderabad and consequential instructions from Ministry of Civil Aviation. The joint audit report with respect to our 2020 Audited Consolidated Financial Statement and the joint review report with respect to our Unaudited Interim Consolidated Financial Statements include an emphasis of matter on the estimation of uncertainties relating to COVID-19, the unprecedented nature of which makes the future business environment uncertain. The joint review report with respect to our Unaudited Interim Consolidated Financial Statements also includes an emphasis of matter on the uncertainty relating to recoverability of the upfront fee of Rs. 63.00 crores paid to the Yes Bank Limited ("the Bank") regarding a facility of Rs. 4,200.00 crores entered into in 2019. In view of certain developments, the Bank has expressed their inability to extend the said loan, and accordingly the arrangement was terminated on April 21, 2020.

In case the performance of GACAEL does not continue to improve, the carrying amount of goodwill may have to be impaired in the future, which could have a material adverse effect on our business, financial condition, cash flows and results of operations. In addition, if we fail to remediate the material weakness or other weaknesses that may be identified in the future, we may be unable to accurately report our financial results or report them in a timely manner.

Our business is exposed to various operational and systems risks.

Our success depends in part on the efficient and uninterrupted operation of IT systems at the Airport as well as our computer and communications hardware systems. We actively rely on these systems for the management and operation of the Airport, including our safety management, operation of our check-in process, operation of our baggage and cargo tracking and management of passenger and other data. Various agencies of the Government of India that provide services to passengers and airlines at the Airport, such as air traffic control, security, electricity and immigration and customs services, plant and animal quarantine services, health services and meteorological services, also rely on IT systems as well as our computer and communications hardware systems. These systems could be damaged or interrupted by fire, flood, power loss, telecommunications failure, computer viruses, physical or electronic break-ins, and similar events or disruptions. Any of these events could cause system interruptions, delays, malfunctioning and loss of critical data, and could impair or even halt some or all of the operations at the Airport. In addition, our concessionaires' or licensees', or the Government of India's computer systems may be vulnerable to computer viruses, physical or electronic break-ins and other similar disturbances, which could lead to interruptions, delays, loss of data or the inability to operate the Airport.

Our risk management strategies may not be adequate against all possible operational and systems risk we face. While we currently maintain insurance coverage for losses due to business interruption, we cannot assure you that this coverage would be sufficient to cover all of our potential losses. If any of these operational or systems failures were to occur, it could damage our reputation, be expensive to remedy and could have a material adverse effect on our business, financial condition, cash flows and results of operations.

Our business is also exposed to operational risks such as fraud or unauthorized access by employees, contractors or outsiders, incorrect data provided by third parties, unauthorized transactions by employees and operational errors, including clerical or record keeping errors or errors resulting from faulty computer or telecommunications systems. Further, our risk management strategies might prove to be inadequate, especially if unanticipated circumstances or risks come to pass, in which case we might incur substantial, unexpected losses. Any losses suffered as a result of these and other factors could have a material adverse effect on our business, financial condition and results of operations.

We are subject to foreign exchange risk with respect to our U.S. dollar denominated debt financing and certain revenue sources.

As at September 30, 2020, we had Rs. 49,015.4 million (US$664.2 million) of outstanding indebtedness denominated in U.S. dollars attributable to the Existing Notes. We engage in certain currency hedging transactions, but such transactions may not sufficiently protect us against significant foreign currency fluctuations. The Rupee may appreciate, depreciate or fluctuate significantly against the U.S. dollar or other currencies in the future. A depreciation of the Rupee against the U.S. dollar may increase our interest payment and repayment costs. We rely, and expect to continue to rely, on foreign exchange markets to meet the majority of our U.S. dollar interest (which will increase following the issue of the Notes) and repayment costs, and we cannot assure you that we would be able to generate additional revenue sufficient to offset such increased costs. As a result, fluctuations in the value of the Rupee against the U.S. dollar may materially adversely affect our financial condition, cash flows and results of operations.

Higher interest rates could adversely affect our profitability.

A portion of our outstanding consolidated indebtedness bears interest at floating rates, which will cause our finance costs, including interest on borrowings, to fluctuate with changes in interest rates. In addition, we may choose in the future to incur additional indebtedness, which may bear interest at floating rates. Accordingly, our profitability will be affected by changes in various benchmark rates, due to the impact such changes have on our interest income and finance costs from interest-bearing financial assets and liabilities. Finance costs accounted for 13.4%, 12.4% and 14.7% of our total revenue in the years ended March 31, 2020, 2019 and 2018, respectively, and 36.0% and 12.2% of our total revenue in the six months ended September 30, 2020 and 2019, respectively.

Floating rates on our outstanding indebtedness may increase in the future and thereby increase our finance costs, which could decrease our margins and have a material adverse effect on our business, financial condition, cash flows and results of operations.

Our insurance policies may not provide sufficient coverage against all liabilities.

While we seek to insure against all reasonable risks, we can offer no assurance that our insurance policies will cover all of our liabilities and losses in the event of an accident, terrorist attack or other incidents causing damage to our facilities or a third-party or interruption to our business. The insurance market for airport liability coverage generally, and for airport construction in particular, is limited, and a change in coverage policy by the insurance companies involved could reduce our ability to obtain and maintain adequate or cost-effective coverage. Should losses occur, there can be no assurance that such losses will not exceed the pre-established limits on any of our insurance policies. Additionally, we are required under the Concession Agreement to maintain certain types and levels of insurance coverage and our Concession could be subject to termination if we fail to maintain the required coverage. See "Business—Property and Insurance" herein.

We may become subject to legal or regulatory claims or investigations against us.

From time to time, we may become involved in legal or regulatory proceedings, claims or investigations, including by governmental bodies, customers, suppliers, former employees, class action plaintiffs and others. On an ongoing basis, we attempt to assess the likelihood of any adverse judgments or outcomes to these proceedings or claims, although it is difficult to predict final outcomes with any degree of certainty.

We do not believe that any of the proceedings or claims to which we are currently party will result in costs, charges or liabilities that will have a material adverse effect on our business, financial position and results of

operations. However, we cannot assure you that the costs, charges and liabilities associated with these matters will not be material, or that those costs, charges and liabilities will not exceed any amounts reserved for them in our financial statements. In future periods, if any of these matters are resolved unfavorably to us, we could be subject to cash costs or non-cash charges to earnings and be required to reflect liabilities in our financial statements for which we previously had not made provisions in our financial statements.

Pursuant to government order dated March 6, 2002, GHIAL constructed a residential township for the Central Industrial Security Force personnel deployed at the Airport. On completion of the project in 2008, the cost of the township and land was capitalized in the books of the fund collecting the security component of the passenger service fee ("PSF (SC) Fund") with notice to MoCA. MoCA subsequently issued order no. AV 13024/03/2011-AS (Pt. 1), dated February 18, 2014, which required all airport operators to reverse or reimburse back to their respective PSF (SC) Fund all the expenditure incurred towards procurement and maintenance of the security systems and equipment and on creation of fixed assets out of the PSF (SC) Fund, together with the interest that would have accrued in the normal course had such amount not been debited against the PSF (SC) Fund. We have challenged this order before the Honorable High Court of Hyderabad, which issued a stay of the MoCA order on December 24, 2014, pending further investigation. In the event that the stay order is vacated, we would be required to set aside an amount equivalent to such expenditure incurred from the PSF (SC) Fund. See "Business—Legal Proceedings." If we are required to refund the money with interest, it would have a material adverse effect on our business, financial condition, cash flows and results of operations.

We are subject to various environmental laws and regulations, and our failure to comply with environmental and other regulations could seriously harm us.

We and the airlines using the Airport are subject to a variety of laws and regulations relating to, among other things, airports, aircraft, noise limitations and the use, discharge and disposal of waste materials produced by aircraft and inflight catering operations using the Airport.

We believe that we are in substantial compliance with currently applicable environmental laws and regulations; however, environmental claims or the failure to comply with present or future regulations could subject us to future liabilities, including the assessment of damages, fines and orders to cease or modify certain construction projects. Since we are now under construction phase (brownfield expansion), it calls for stringent compliance of various environmental laws. In addition, new laws or regulations could require us to modify airport operations or incur other expenses that could have a material adverse effect on our business, financial condition, cash flows and results of operations. We do not currently carry insurance that guards against losses resulting from environmental harm caused by us.

Expansion and improvement of the Airport also depend on the receipt of environmental approvals as well as planning, zoning and other approvals granted by municipal, regional and other Indian public authorities. Should environmental regulators adopt a more restrictive regulatory framework for any of these areas, our ability to expand the Airport and meet increased demand could be limited.

In addition, the implementation of environmental regulations imposing taxes on carbon emissions could increase the cost of air travel services to consumers. Such increased prices could reduce demand for air travel and have a material adverse effect on our business, financial condition, cash flows and results of operations.

We are subject to risks related to tax disputes with certain tax authorities.

We are party to various tax proceedings with certain tax authorities at the central and state-level governments in India, including the service tax and income tax authorities. These proceedings relate to disputes

between us and these authorities regarding, among others, (a) demand of central value added tax credit, interest and penalty on irregular availment of central value added tax credit of tax paid on cement, steel and other materials and services used in construction activity, (b) demand of service tax along with interest and penalty for payment of service tax on the user development fee, (c) demand of service tax, along with interest and penalty relating to recovery of cost of electricity and water charges together with service charges from concessionaires, (d) demand of central value added tax credit, interest and penalty on irregular availment of input services, (e) demand of service tax along with interest and penalty on notice pay recovered from employees, , (f) demand for payment of building and other construction workers' welfare cess, (g) our obligation in relation to the payment of service tax on the passenger service fees (security component) collected from the Airport, (h) demand for payment of sewerage cess arrears. All of these proceedings are at various stages of adjudication and are currently pending. If unfavorable decisions are rendered in one or more of these proceedings, we could be required to pay substantial amounts and be required to reflect liabilities in our financial statements for which we previously had not made provisions in our financial statements. For certain of these disputes, but not all, we have established provisions only for part of the amounts in dispute, based on the likelihood of success. See "Business—Legal Proceedings" for further details.

Our ability to retain, attract and train and retain executives and other qualified employees is critical to our business, results of operations and future growth.

Our business and future growth is substantially dependent on the continued services and performance of our key executives, senior management and skilled personnel, especially personnel with experience in our industry, including qualified MRO engineers, and our information technology and systems. While the attrition rates for our senior management and key executives are not significant, any of them may choose to terminate his or her employment with us at any time. For example, should the GMR Group significantly reduce its shareholding in our Company, we expect that certain of our senior management and key executives may choose to terminate their employment with us.

We cannot assure you that we will be able to retain such persons or find adequate replacements in a timely manner, or at all. The industry relationships and specialized experience that we require can be time-consuming and difficult to acquire and develop. We may require a long period of time to hire and train replacement personnel if and when skilled personnel terminate their employment with us. Our ability to compete effectively depends on our ability to retain and motivate our existing employees and to attract new employees. We may be required to increase our levels of employee compensation more rapidly than in the past in order to remain competitive in managing employee attrition and attracting the skilled employees that we require. If we do not succeed in retaining or motivating existing employees and attracting appropriately qualified new employees, our business and prospects for growth could be adversely affected.

In particular, there is a shortage of MRO engineers in the aviation industry globally, including India. We anticipate this shortage to increase as airlines increase the size of their aircraft fleets and demand for MRO services grows. Although we believe our salary and benefit packages for MRO engineers are generally competitive with those of our competitors, in the past our engineers have chosen to resign their positions with us and accept positions with our competitors. As demand for MRO engineers increases, we may need to increase salaries and other benefits in order to recruit, retain and motivate these key employees. Engineers are also required to undergo substantial classroom and on-the-job training, and must be certified through examination by the DGCA, so ensuring that sufficient new personnel are available to meet our increased requirements for these key employees will require us to increase our training operations.

Our ability to raise capital outside India may be constrained by Indian law, which could adversely affect our financial condition and prospects.

India's policy on external commercial borrowing includes the ECB Guidelines, which provides guidelines for raising of Indian Rupee denominated external commercial borrowings, in addition to the regulations relating to the end-use of proceeds, creation of security in favor of eligible offshore lenders, maximum interest payable, and repatriation of payments towards such offshore lenders, as notified by the RBI and currently in force. External commercial borrowing by an eligible borrower is permitted under the automatic route up to certain limits in a year, with the stipulated minimum average maturity, for permissible end-uses. Further, the ECB Guidelines limit the all-in-cost to a certain level or requires the all-in-cost to be in line with market conditions, depending on the nature of the external commercial borrowing. External commercial borrowing not complying with these requirements is permitted with the prior approval of the RBI, in accordance with the ECB Guidelines. Furthermore, any modification or waiver of the terms and conditions of the Notes which has the effect of modifying or waiving terms which are not permitted under the automatic route for the issue of bonds under the ECB Guidelines will require prior approval from the RBI. These limitations on external commercial borrowing could constrain our ability to raise cost-effective funding for implementing asset purchases, servicing or refinancing existing indebtedness, or financing acquisitions and other strategic transactions in the future, which may adversely affect our financial condition, cash flows and prospects.

Our ability to raise foreign capital may be constrained by Indian law.

Companies operating in India are subject to exchange controls that regulate borrowing in foreign currencies. Further, the Indian rupee is not a fully convertible currency. While it is current account convertible, it remains non-convertible on the capital account. Such regulatory restrictions could limit our financing sources for acquisitions and could constrain our ability to obtain financings on competitive terms and refinance existing indebtedness. In addition, it cannot be assured that any approval required to raise foreign capital will be granted to us without onerous conditions, or at all. Limitations on foreign debt may have an adverse impact on our business, prospects, financial condition and results of operations.

The terms of our indebtedness may limit our investment plans and financial flexibility.

Under the terms of our various financing arrangements, our Company and/or our group companies are subject to certain restrictive covenants that limit our ability to undertake certain types of actions and require us to obtain lender consents, including among others for:

- undertaking any scheme of merger, amalgamation, compromise or reconstruction or any expansion or any new project or any new business by the relevant borrower;

- any change in ownership or control or material change in the management of the businesses of the relevant borrowers (failing which mandatory repayment of our loans may be triggered under the terms of our debt arrangements);

- raising new loans or creating further security interest in or alienating any security;

- withdrawing or allowing to be withdrawn amounts brought in by the directors or promoters of the relevant borrowers;

- declaring dividends or distributing profits by the relevant borrowers in certain cases based on certain thresholds and subject to certain conditions and where interest or principal payments are outstanding; and

- incurring significant capital expenditure or making any investments or acquiring ownership interest including in the share capital of any entity by the relevant borrowers.

Failure to comply with any of the covenants under the terms of our or our subsidiaries' financing arrangements could result in an event of default, which could materially and adversely affect our business, results of operations and financial condition. See "Description of Material Indebtedness."

The normative project cost approach adopted by AERA may affect our ability to recover excess capital expenditure towards development of the Airport.

AERA, by its order issued on June 13, 2016, prescribed uniform rates of capital costs for major airports, pending finalization of norms, across the country at a rate of Rs. 65,000 per square metre (indexed to inflation) for the terminal building and Rs. 4,700 per square metre for the runway, taxiway and apron, on a tentative basis, which were to be used as a reasonable benchmark for evaluating the capital costs to be incurred by the airport operators of major airports for the purposes of determination of tariff. Where the capital costs are higher than the ceiling rate approved by AERA, airport operators are required to submit justifications for the increase which will be examined by a committee of experts to be constituted by AERA.

The capital expenditures incurred by our Company in developing the Airport are substantially higher than the normative capital costs prescribed by AERA. Accordingly, our Company has sought approval for incurring capital costs in excess of the tentative ceiling rates. In the consultation paper for the determination of aeronautical tariffs with respect to the Airport for the second control period, AERA has allowed terminal capital expenditure to be incurred by us which is higher than the normative capital costs prescribed by AERA.

Restrictions on the sale of duty free items may adversely affect the performance of our duty free retail businesses.

The sale of certain products at our duty free stores is subject to restrictions. Revenue from duty free sales accounted for 2.1%, 8.3%, 8.7%, 8.4% and 7.5% of our consolidated revenue from contracts with customers for the six months ended September 30, 2020 and 2019 and fiscal year 2020, 2019 and 2018 respectively. Tobacco products and liquor products constituted the first and second largest product categories among our duty free sales. International health organizations (such as the World Health Organization) and the anti-smoking lobby continue to seek restrictions on the duty free sale of tobacco products. More generally, an increasing number of national and local governments have prohibited, or are proposing to prohibit, smoking in public places and many have implemented regulations mandating the display of graphic health warnings. In recent years, there has also been increased public and political attention directed at liquor products as a result of health care concerns related to the harmful effects of alcohol consumption. If we were to lose our ability to sell duty free tobacco products, or the increasing number of smoking prohibitions and packaging warnings causes a reduction in sales of tobacco products, or if sales of liquor products were to decline, our business, financial condition and results of operations could be materially adversely affected.

Further, governmental authorities in India may alter or eliminate the duty free status of certain products or otherwise change importation or tax laws. If we lose market share to traditional retailers situated outside airports as a result of a reduction in applicable taxes and duties, our revenues may decrease significantly either temporarily or for the longer term, and our business, financial condition and results of operations may be adversely affected.

Risks Related to India

All of our assets and operations are located in India, and we are subject to regulatory, economic, social and political uncertainties in India.

All of our assets and employees are located in India. Consequently, our financial performance will be affected by changes in exchange rates and controls, interest rates, commodity prices, subsidies and controls, changes in government and also their respective policies, including taxation policies, social and civil unrest and other political, social and economic developments in or affecting India. The Government of India has exercised and continues to exercise significant influence over many aspects of the Indian economy. The Government of India has historically played a key role, and is expected to continue to play a key role, in regulating, reforming and restructuring the Indian aviation industry. The Government of India has in the past, among other things, imposed controls on the price of a broad range of goods and services, restricted the ability of business to expand existing capacity and reduce the number of their employees, and determined the allocation to businesses of raw materials and foreign exchange. Since 1991, successive Indian governments have pursued policies of economic liberalization, including by significantly relaxing restrictions on the private sector and allowing partial privatization of the airport industry. Nevertheless, the role of the Indian Central and State governments in the Indian economy as producers, consumers and regulators has remained significant, and there can be no assurance that such liberalization policies will continue. The rate of economic liberalization could change, and specific laws and policies affecting metals and mining companies, foreign investments, currency exchange rates and other matters affecting investment in India could change as well. Further, government corruption scandals and protests against privatization, which have occurred in the past, could slow the pace of liberalization and deregulation. The rate of economic liberalization and specific laws and policies affecting foreign investment, currency exchange rates and other matters affecting investment in India are subject to change, and any adverse change in India's economic liberalization and deregulation policies, particularly those relating to the airport industry, could disrupt business and economic conditions in India generally and our business in particular. A significant change in India's policy of economic liberalization and deregulation could adversely affect business and economic conditions in India generally, and our business in particular, if new restrictions on the private sector are introduced or if existing restrictions are increased. Further, elections in India at the central and state level may contribute to political uncertainties that may in turn impact our operations and the stability of the economic environment in India.

We are subject to changes in the Government's policy on direct and indirect taxation.

All our revenue is derived from domestic activities. Our profitability is also significantly dependent on the policies of the central and state governments in India relating to various direct and indirect taxes (including sales tax, service tax, GST and income tax), duties and levies (including excise duties and import duties) related to our operation. Any change in policies relating to such taxes or duties could materially adversely affect our business, financial condition, cash flows and results of operations. Recent changes in such policies include the new standard for computation of income chargeable to tax under the Income Tax Act, 1961 (the "Income Tax Act") which may increase our income tax liability (prospectively or retrospectively), currently or in the future, or result in tax authorities assessing our tax liability to be materially different from our existing provisions for tax liabilities.

The Government of India has enacted several new tax policies recently, including the comprehensive Goods and Services Tax ("GST"), the General Anti-Avoidance Rules ("GAAR") and the Income Computation and Disclosure Standards ("ICDS"). The GST has combined taxes and levies by the central and state governments into a unified rate structure. GST has been applicable since July 1, 2017, though its implementation may be further affected by future disagreements between state governments. GAAR has been in effect since April 1, 2017. The tax consequences of the GAAR could result in denial of tax benefits and other consequences, and if

the GAAR is made applicable to us, it may have an adverse tax impact on us. The ICDS will be applied in computing taxable income, and payment of income taxes thereon, beginning in the fiscal year April 1, 2016 and onwards. ICDS applies to all taxpayers following an accrual system of accounting for the purpose of computation of income under the headings of "profits and gains of business or profession" and "income from other sources." As the GST, GAAR and ICDS are recent changes to tax policy, the application of these provisions on us going forward is uncertain. Any increases in or amendments in the tax applicable to us due to the GST, GAAR or ICDS may result in additional taxes becoming payable by us.

The Government of India also recently introduced thin capitalization rules under the Income Tax Act which become applicable following an interest expenditure of more than Rs. 10 million. Once these rules are triggered, the deduction of interest paid to a non-resident associated enterprise (as defined in the Income Tax Act) is capped at 30% of the borrower's EBITDA in the relevant year, although the excess interest can be carried forward for the next eight fiscal years and be eligible for deduction (provided the interest deduction limit for the relevant fiscal year is unutilized). Amongst other prescribed circumstances, an entity is deemed to be an associated enterprise, if it advances a loan to a borrowing entity which constitutes at least 51% of the book value of the assets of the borrower. Should these provisions become applicable to us, these provisions could lead to a higher tax incidence on us.

Delay or inability in obtaining consents and permissions from relevant statutory authorities for creation and/or perfection of security for the Notes.

Section 281 of the Income Tax Act declares that unless permission is obtained from an assessing officer, a charge and/or a security interest created by a person can be treated as null and void, in case there are proceedings pending against such person under the Income Tax Act or, after completion thereof, notice has not been served upon such person pursuant to schedule II of the Income Tax Act. Procuring permission from an assessing officer under the Act may be time-consuming and may not be possible before the intended creation of a security interest over the assets concerned. We may not be able to procure the permission of the assessing officer prior to creation of security interest over our assets for securing the Notes or at all if we are unable to settle a tax proceeding or demand under any circumstances and the possibility of Income Tax authorities treating the charge as being void cannot be ruled out.

The terms and conditions customary to the Indian financial market, which govern the loans availed by us, may expose us to the risk of change in our management.

We, together with our subsidiaries, have availed financial assistance from certain banks and financial institutions in India. The terms of such loans provide for, among others, a lenders' right to convert debt owed by the borrower into equity of the borrower (including on account of guidelines issued by the RBI from time to time for restructuring of distressed assets/strategic debt restructuring/sustainable structuring of loans and means to alleviate stress loan account). Such right may be exercised by the lenders on the occurrence and continuance of an event of default under these loans and upon conversion of the loans into equity the lenders may acquire management control and/or appoint nominee directors on the board.

A prolonged slowdown in economic growth in India or financial instability in other countries could cause our business to suffer.

A slowdown in the Indian economy could adversely affect our business and its lenders and contractual counterparties, especially if such a slowdown were to be prolonged. According to data released by the International Monetary Fund, India is expected to be the sixth-largest economy in the world by real GDP and the third-largest by purchasing power parity in 2020. India's real GDP grew at an average rate of 4.3% per annum over fiscal years 2015 to 2020, and the International Monetary Fund expects India's real GDP to grow at a

CAGR of 8.8% over fiscal years 2020 to 2025, from a low base in fiscal year 2020 due to the impact of COVID-19 The Indian economy continues to sustain high levels of inflation. Although the Government of India has initiated several economic measures to curb the rise in inflation rates, it is unclear at this stage whether these measures will have the desired effect. Any increase in inflation in the future, because of increases in prices of commodities such as oil or otherwise, may result in a tightening of monetary policy and affect growth in the Indian economy.

Current short-term indicators such as industrial production, merchandise exports, bank credit offtake, tax mop-ups, freight movement and electricity production indicate weakening growth momentum. The uncertainty regarding liquidity and interest rates and any increase in interest rates or reduction in liquidity could adversely impact our business, financial condition, cash flows and results of operations. In addition, the Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly those of emerging market countries in Asia. Investors' reactions to developments in one country may have adverse effects on the economies of other countries, including the Indian economy. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in the Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could influence the Indian economy and could have a material adverse effect on our business, financial condition, cash flows and results of operations.

The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections. In Europe, the exit of the United Kingdom from the European Union could have a significant negative impact on international markets. In Asia, the ongoing trade war between China and the United States is also expected to negatively impact international trade. Globally, the ongoing COVID-19 outbreak has resulted in significant market uncertainty, and the actual extent of the outbreak and its impact on travel, aviation and the economy generally remains uncertain and may be severe. These could include further declines in stock exchange indices and/or greater volatility of markets in general due to the increased uncertainty. These and other related events could have a significant impact on the global credit and financial markets as a whole, and could result in reduced liquidity, greater volatility, widening of credit spreads and a lack of price transparency in the global credit and financial markets.

There are also concerns that a tightening of monetary policy in emerging markets and some developed markets will lead to a moderation in global growth. In particular, there are rising concerns of a possible slowdown in the Chinese economy, and China is one of India's major trading partners. Such factors might also result in a slowdown in India's export growth momentum.

Terrorist attacks, civil disturbances and regional conflicts in South Asia may have a material adverse effect on our business, financial condition, cash flows and results of operations.

India has, from time to time, experienced social and civil unrest within the country and hostilities with neighboring countries. There have been continuing tensions between India and Pakistan over the states of Jammu and Kashmir. From May to July 1999, there were armed conflicts over parts of Kashmir involving the Indian army, resulting in a heightened state of hostilities, with significant loss of life and troop conflicts. Isolated troop conflicts and terrorist attacks continue to take place in such regions. The potential for hostilities between India and Pakistan could be particularly threatening because both India and Pakistan are nuclear powers. These hostilities and tensions could lead to political or economic instability in India and a possible material adverse effect on our business, financial condition, cash flows and results of operations. There can be no assurance that such situations will not recur or be more intense than in the past. Terrorist attacks and other acts of violence or war may adversely affect global markets and economic growth. These acts may also result in a loss of business confidence, make travel and other services more difficult, and have other consequences that could have an adverse effect on our business, results of operations, cash flows and financial other consequences that could have an adverse effect on our business, results of operations, cash flows and financial condition. Military activity or

terrorist attacks in the future could adversely impact the Indian economy by disrupting communications and making travel more difficult, and such tensions could create a greater perception that investments in Indian companies involve higher degrees of risk. In addition, any deterioration in international relations may result in investor concern regarding regional stability which could adversely affect the price of the Notes. India has witnessed localized terrorist attacks recently in Uri and Pulwama in the state of Jammu and Kashmir, as well as terrorist attacks in Mumbai in 2008 and 2011, Delhi in 2011 and bombings in Hyderabad on February 21, 2013 attacks in Uri in 2016 and bombings in Pulwama in 2019. In February 2019, a suicide bomber attacked a paramilitary convoy in Kashmir, and in April 2019, a series of coordinated suicide bombings occurred at churches and hotels in Sri Lanka. On August 5, 2019 the special autonomous status given to the state of Jammu and Kashmir was revoked by the Indian Government and the state was divided into the territory of Jammu and Kashmir and the territory of Ladakh, which has resulted in increased tensions in the region. Hostilities and political tensions could also create an increased perception that investment in Indian companies involves a higher degree of risk and could materially adversely affect our business, financial condition and results of operations.

Natural calamities and health epidemics and other events outside our control could adversely affect the Indian economy.

India has experienced natural calamities such as earthquakes, a tsunami, cyclones, floods and drought in the past few years. The extent and severity of these natural disasters determines their impact on the Indian economy, and more particularly to the tourism industry. In addition, our facilities are subject to other natural or man-made disasters such as fires, acts of terrorism, failures of utilities and epidemics. If any such event were to occur, our business could be affected as a result of the event itself or our inability to effectively manage the consequences of such event.

Further, prolonged spells of below normal rainfall or other natural calamities could have a negative impact on the Indian economy thereby, materially and adversely affecting our business, financial condition, cash flows and results of operations. Similarly, global or regional climate change or natural calamities in other countries where we operate could affect the economies of those countries. Any future outbreak of health epidemics may restrict the level of business activity in affected areas, which may, in turn, materially adversely affect our business, financial condition, cash flows and results of operations.

Any downgrading of India's debt rating by an international rating agency could have a negative impact on our business and the trading price of the Notes.

As at the date of this offering memorandum, India's sovereign rating was is Baa3 with a "negative" outlook (Moody's), BBB- with a "stable" outlook (S&P) and BBB- with a "negative" outlook (Fitch). Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely affect our ratings, the terms on which we are able to finance future capital expenditure, or our ability to refinance any existing indebtedness. This could have an adverse effect on our capital expenditure plans, business and financial performance, and the trading price of the Notes.

Investors may not be able to enforce a judgment of a foreign court against us or our management, except by way of a suit in India on such judgment.

The Company is a public company incorporated under the laws of India. Substantially all of its directors and key management personnel reside in India and all of the assets of the Company are located in India. As a result, it may not be possible for investors to effect service of process upon the Company, or such persons outside India, or to enforce judgments obtained against such parties outside India. Recognition and enforcement of foreign judgments are provided for under Section 13 and Section 44A of the Civil Code on a statutory basis. Section 13 of the Civil Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between

the same parties or between parties under whom they or any of them claim to litigate under the same title, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Section 44A of the Civil Code provides that where a foreign judgment has been rendered by a superior court, within the meaning of such section, in any country or territory outside India, which the Government of India has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the Civil Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes, other charges of a like nature or in respect of a fine or other penalties and does not apply to arbitration awards. The United Kingdom, Singapore, Hong Kong and United Arab Emirates have been declared by the Government of India to be reciprocating territories for the purposes of Section 44A, but the United States has not been so declared. A judgment of a court in a country which is not a reciprocating territory may be enforced in India only by a fresh suit upon the judgment and not by proceedings in execution. Under the Civil Code, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction unless the contrary appears on record and such presumption may be displaced by proving, want of jurisdiction. The suit has to be filed in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court were of the view that the amount of damages awarded was excessive or inconsistent with Indian practice. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI under FEMA, to execute such a judgment and repatriate outside India any amount recovered pursuant to execution, and any such amount may be subject to tax in accordance with applicable laws. Any judgment in a foreign currency would be converted into Indian Rupees on the date of the judgment and not on the date of the payment. It is uncertain as to whether an Indian court would enforce foreign judgments, given the possibility that such judgments may contravene or violate Indian law.

The new bankruptcy code in India and limited jurisprudence on the same may affect the Company.

The Insolvency and Bankruptcy Code, 2016 ("Bankruptcy Code") was notified on August 5, 2016. The Bankruptcy Code offers a uniform and comprehensive insolvency legislation encompassing all companies, partnerships and individuals (other than financial firms). It allows creditors to assess the viability of a debtor as a business concern, and agree upon a plan for its revival or a liquidation. The Bankruptcy Code creates a new institutional framework, consisting of a regulator, insolvency professionals, information utilities and adjudicatory mechanisms, which will facilitate a formal and time bound insolvency resolution and liquidation process. Under the Bankruptcy Code, upon initiation of an insolvency resolution process, a committee of creditors is constituted by the interim resolution professional, wherein each financial creditor is given a voting share proportionate to its admitted claim against the company. Any decision of the committee of creditors must be taken by a vote of thresholds varying between 50%, 66-75% of the voting share of all financial creditors (other than for withdrawal of the company from a corporate insolvency resolution process, which requires 90% of the total weighted voting share of the committee of creditors). Any resolution plan approved by committee of creditors is binding upon all stakeholders. In case the corporate debtor is subjected to liquidation process, the Bankruptcy Code provides for a fixed order of priority in which proceeds from the sale of the debtor's assets are to be distributed. In this order of priority, the insolvency resolution and liquidation process costs rank higher than the admitted claims of secured creditors. Secured creditors may decide to opt out of the liquidation process, in which case they are permitted to realize their security interests separately.

The insolvency laws of India may differ from bankruptcy laws of other jurisdictions with which Noteholders are familiar.

Because the Company is incorporated under the laws of India, an insolvency proceeding relating to it, even if brought in a jurisdiction outside India, would likely involve Indian insolvency laws, the procedural and substantive provisions of which may differ from comparable provisions of bankruptcy laws in jurisdictions outside India.

Indian accounting principles differ from those which prospective investors may be familiar with in other countries.

Our financial statements are prepared under Ind-AS as at and for the years ended March 31, 2020, 2019 and 2018 and as at and for the six months ended September 30, 2020 and 2019, and no attempt has been made to reconcile any of the information given in this offering memorandum to any other accounting principles. Ind-AS differs in certain respects from IFRS, and prospective investors in the Notes might be unfamiliar with the accounting principles that underlie the Ind-AS financial statements including in this offering memorandum.

We cannot guarantee the accuracy of statistical and other information with respect to India, the Indian economy or the airport industry contained in this offering memorandum.

Statistical and other information in this offering memorandum relating to India, the Indian economy or the airport industry have been derived from various government publications and obtained in communications with various Indian government agencies that we believe to be reliable. However, we cannot guarantee the quality or reliability of such source of materials. While we have taken reasonable care in the reproduction of the information, the information has not been prepared or independently verified by us, each of the Initial Purchasers or any of our or their respective affiliates or advisors and, therefore, we make no representation as to the accuracy of such facts and statistics, which may not be consistent with other information compiled within or outside India. These facts and other statistics include the facts and statistics included in the section titled "Industry" in this offering memorandum. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. In all cases, investors should give consideration as to how much weight or importance they should attach to, or place on, such facts or statistics.

Political, economic or other factors that are beyond our control may have an adverse effect on our business and results of operations.

We are dependent on domestic, regional and global economic and market conditions. Our performance, growth and market price of our equity shares are and will be dependent to a large extent on the health of the economies in which we operate. There have been periods of slowdown in the economic growth of India. Demand for our services may be adversely affected by an economic downturn in domestic, regional and global economies. Economic growth in the countries where we operate is affected by various factors including domestic consumption and savings, balance of trade movements, global economic uncertainty and liquidity crisis, volatility in exchange currency rates and global and regional economic performance. Consequently, any future slowdown in the Indian economy, or in the economies where we propose to operate, could harm our business, results of operations, financial condition and cash flows. Also, a change in the government or a change in economic and regulatory policies could adversely affect the economy in general and our business in particular. Further, high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

Risks Related to the Notes and the Collateral

If our Concession is terminated or the Government of India acquires our rights under the Concession, the Notes held by holders who are not "Lenders" as defined under the Concession Agreement would not be eligible for termination payments and accordingly, the Notes may receive only partial or no repayments of amounts owed under the Notes.

The Government of India has the right to terminate our Concession if we default on certain of our obligations under the Concession Agreement, including any material default under the Indenture or our other debt instruments. Upon termination of the Concession Agreement as a consequence of a default by us or the Government of India in certain prescribed circumstances, the Government of India may acquire all of our rights, title and interests in and to the Airport and in any non-airport activities which the Government of India opts to take over. See "Business—Our Concession—Concession Agreement" for further details.

The termination amount to be paid by the Government of India if we default is calculated to include "Debt" as defined under the Concession Agreement. Upon termination of our Concession by GoI, GoI's obligation to pay 100% of the "Debt" we incurred to develop certain assets at the Airport applies only to debt held by "Lenders." However, any amounts outstanding in relation to the Notes held by Noteholders or holders of the Existing Notes who do not qualify within the definition of "Lender," such as individuals, may not be included in the calculation of "Debt" under the Concession Agreement for purpose of such termination amount. "Lenders" is defined in the Concession Agreement to include "banks, financial institutions, NBFC and similar bodies to whom debt is owed under the Financing Agreements." There is a possibility that certain classes of Noteholders or holders of the Existing Notes may not be considered by the relevant government or judicial authorities to fall within the definition of "Lenders" under the Concession Agreement and accordingly the Notes and the Existing Notes held by such individuals or by entities that do not fall within the definition of "Lenders" under the Concession Agreement would not be considered "Debt" for the purposes of the Concession Agreement and the holders of the Notes or the Existing Notes would not be eligible to receive the 100% repayment of "Debt" from GoI. Any prospective Noteholder should determine whether it is a "Lender" before investing in the Notes. The Trustee has no duty to determine, and would not be responsible for any determination of, whether any Noteholders qualify as "Lenders" under the Concession Agreement.

If we were to lose the right to operate the Concession and the Notes and the Existing Notes did not qualify as "Debt" or the Noteholders or holders of the Existing Notes or the Trustee did not qualify as a "Lender" under the Concession Agreement, the Noteholders or holders of the Existing Notes would not be entitled to termination payments by the Government of India. In such event, the only secured assets available to repay the Notes and the Existing Notes would be the Collateral, which is unlikely to be sufficient to satisfy our obligations under the Notes and our obligations to other creditors whose debt is secured pari passu by the Collateral. See "—The realizable value of the Collateral is unlikely to be sufficient to satisfy our obligations under the Notes, the Existing Notes and any other indebtedness secured on a pari passu basis." As our operations pursuant to the Concession constitute substantially all of our business and assets, the remaining assets in respect of which an unsecured claim could be made would also be unlikely to satisfy our obligations under the Notes.

Our debt instruments, including the Indenture, the 2027 Notes Indenture and the 2024 Notes Indenture, impose significant operating and financial restrictions on us.

Our debt instruments, including the Indenture, the 2027 Notes Indenture and 2024 Notes Indenture, impose significant operating and financial restrictions on us. These restrictions limit our ability, among other things, to:

- incur additional debt and issue certain preferred stock;
- repurchase stock, and make other distributions;

- prepay subordinated debt and make investments and other restricted payments;
- create or incur liens or encumbrances;
- create restrictions on our ability to pay dividends or make other payments;
- enter into transactions with affiliates;
- sell assets, consolidate or merge with or into other companies or reorganize; and
- enter into sale and leaseback transactions.

The restrictions contained in these debt instruments and in agreements we may enter in the future could limit our ability to plan for or react to market conditions, meet capital needs or make acquisitions or otherwise restrict our activities or business plans. Our ability to comply with the covenants of our debt instruments may be affected by events beyond our control, and any material deviations of our business performance from our forecasts could require us to seek waivers or amendments of covenants or alternative sources of financing or to reduce expenditures. In the past, we and certain of our subsidiaries have not been in compliance with covenants in certain of our financing agreements, although these agreements have been repaid. If we are not able to comply with covenants in any of our debt instruments, there can be no assurance that waivers, amendments or alternative financing could be obtained, or if obtained, would be on terms acceptable to us.

Furthermore, any defaults in covenants in our other debt instruments could lead to cross-acceleration under the Indenture, and any defaults in covenants contained in the Indenture may lead to an event of default under the Notes and may lead to cross-defaults under our other debt instruments. No assurance can be given that we will be able to pay any amounts due to Noteholders in the event of any such default, and any default may significantly impair our ability to pay, when due, the interest of and principal on the Notes.

The realizable value of the Collateral may not be sufficient to satisfy our obligations under the Notes, the Existing Notes and any other indebtedness secured on a pari passu basis.

The Collateral will consist of a (i) a first ranking pari passu mortgage and/or charge over (a) the Company's leasehold rights, title and interest in respect of 2136 acres and 18 guntas of land leased to the Company under the Land Lease Agreement and the Company's freehold rights, title and interest in respect of 8.824 acres of land purchased by the Company *vide* the Sale Deed, together with all buildings and structures thereon and (b) the movable assets of the Company, present and future, including all movable machinery, machinery spares, tools, accessories, furniture, fixtures, vehicles, intangible assets (including goodwill, trademarks and patents) of whatsoever nature and wherever arising, excluding the capital stock of the Company's subsidiaries and joint ventures and any assets of the Company acquired with Indebtedness incurred under clause (2)(g) under "Description of the Notes—Certain Covenants—Limitation on Indebtedness"; (ii) a first ranking pari passu charge of all insurance contracts, contractors' guarantees and liquidated damages payable by the contractors; (iii) a first ranking pari passu charge of all the rights, titles, permits, approvals and interests of the Company in, to and in respect of the Project Agreements to the maximum extent permitted under the Project Agreements and the Concession Agreement; (iv) a first ranking pari passu floating charge on all the operating revenues/receivables of the Company, subject to the provisions of the Concession Agreement and excluding passenger service fees (security component) and airport development fees (and similar pass-through revenue and receivables) and any revenues/receivables over which a Lien is not permitted under applicable law; and (v) first ranking pari passu floating charge on all the Company's accounts and each of the other accounts required to be created by the Company pursuant to the Security Documents (excluding any Excluded Accounts) and, including in each case, all monies lying credited/ deposited into such accounts. See "Description of the Notes—Security—Collateral."

The Collateral also secures, or will secure, our obligations under the Existing Notes, certain hedging obligations and working capital facilities and any other debt to the extent permitted by the terms of the Intercreditor Agreement and Indenture (the "Permitted Pari Passu Secured Indebtedness"). See "Description of the Notes—Permitted Pari Passu Secured Indebtedness" and "Description of Material Indebtedness." Noteholders' rights to the Collateral may be diluted by any increase in the debt secured by the Collateral or a reduction of the Collateral, as permitted by the Indenture and Intercreditor Agreement. Therefore, the amount of proceeds that ultimately would be distributed in respect of the Notes upon any enforcement action will be shared among the holders of the Notes, the Existing Notes and any other the Permitted Pari Passu Secured Indebtedness in accordance with the Intercreditor Agreement and may not be sufficient to satisfy our obligations under the Notes. To the extent that the claims of the Noteholders exceed the value of the Collateral, these claims will rank equally with the claims of holders of any of our unsecured senior indebtedness and be structurally subordinated to the claims of holders of any of our indebtedness secured by the assets that do constitute Collateral, to the extent of the value of such assets.

In addition, the Company entered into a Trust and Retention Account Agreement on October 27, 2017, which sets forth cash flow priority for deposits and withdrawals from the Company's bank account, including for the payment of certain expenses, including construction, operating, maintenance and insurance expenses, in priority to payment on the Notes and our existing debts. On or about the Original Issue Date, a deed of confirmation will be executed by the Security Trustee, the Account Bank and the Trustee (as a confirming party to the deed of confirmation) for extending the benefit of the trust created under the Trust and Retention Account Agreement in favor of the Trustee. Further, the Trustee will not be a party to the Trust and Retention Account Agreement (except as a confirming party), and the Trust and Retention Account Agreement will not be a security document for the benefit of the Noteholders. As such, the Trustee and the Noteholders will have limited rights under the Trust and Retention Account Agreement and will have limited ability to take any action for breaches or defaults under the Trust and Retention Account Agreement. The Trust and Retention Account Agreement may be amended, modified and terminated without the consent of the Noteholders other than such changes that would impact the priority of payments with respect to the Notes. In addition, the account bank under the Trust and Retention Account Agreement may be replaced without the consent of the Trustee or the Noteholders.

It may be difficult to realize the value of the Collateral securing the Notes and not all of the security interests in the Collateral for the benefit of the Noteholders will be in place at time of issuance of the Notes.

Not all of the security interests in the Collateral for the benefit of the Noteholders will be in place at the time of issuance of the Notes. The Company has 30 days from the Original Issue Date to create and make all necessary filings to perfect the security interest in the Collateral under the Indenture.

The Collateral securing the Indenture and the Notes will be subject to any and all exceptions, defects, encumbrances, liens and other imperfections. The existence of any such exceptions, defects, encumbrances, liens and other imperfections could adversely affect the value of the Collateral securing the Indenture and the Notes as well as the ability of the Security Trustee to realize or foreclose on such Collateral. Further, the value of the Collateral at any time will depend on market and other economic conditions, including the availability of suitable buyers. Each of these factors could reduce the likelihood of an enforcement action as well as reduce the amount of any proceeds in the event of an enforcement action. By its nature, most of the Collateral is illiquid and may have no readily ascertainable market value. The value of the assets pledged as Collateral for the Indenture and the Notes could also be impaired in the future as a result of changing economic conditions, the failure of us to implement our business strategy, competition and other future trends.

The security interest of the Security Trustee will be subject to practical problems generally associated with the realization of security interests in Collateral such as perfection and priority issues. Accordingly, the Security Trustee may not have the ability to foreclose upon those assets and the value of the Collateral may significantly

decrease. Although procedures will be undertaken to support the validity and enforceability of the security interests in the Collateral, we cannot assure you that the Security Trustee or the Noteholders will be able to enforce any of these security interests. Under Indian law, until the security interest is created in the Collateral, the Noteholders would be unsecured creditors of the Company and there cannot be any assurance that after providing for all prior claims under Indian law, there would be sufficient assets to satisfy the claims of the Noteholders.

We may not be able to get approval from Government of India for amendment to the Original Direct Agreement for extending the benefit of the Original Direct Agreement to the Holders.

On November 29, 2005, the Company entered into a direct agreement (the "Original Direct Agreement") with the MoCA (Government of India) and the Security Trustee, whereby the Government of India consented to the assignment (and to the extent not capable of assignment, the charge) for the benefit of the lenders (acting through the Security Trustee) of all of the Company's right, title and interest in the Concession Agreement. Pursuant to the Original Direct Agreement, the Government of India has agreed to comply with the written instructions of the Security Trustee in relation to the payment of monies due and payable from the Government of India in terms of the Concession Agreement to the Security Trustee as they may direct, in the event the Security Trustee proceeds to exercise the security interest granted by the Company. Further Government of India has also agreed that Security Trustee shall have the right to nominate itself or a designated company as the substitute for the Company under the Concession Agreement. Upon such substitution, the designated company or the Security Trustee, subject to eligibility qualifications for the operation and maintenance of the Airport and political sensitiveness of the Government, shall substitute for the Company under the Concession Agreement. The Original Direct Agreement will terminate without any further action by any party thereto, once the outstanding debt owed by the Company to its lenders in relation to the initial phase of the Airport has been repaid in full. Since the proceeds of the Existing Notes and the Notes will be used in relation to the Current Expansion, we have requested (with respect to the holders of the Existing Notes) and will request (with respect to the Holders of the Notes) the Government of India to amend the Original Direct Agreement for the benefit of expansion phase lenders (including the Holders of the Notes and holders of the Existing Notes) together with the initial phase lenders, however, the benefits of the same are yet to be extended to the holders of the Existing Notes. The indenture requires that the Company use its commercially reasonable efforts to ensure that the MoCA and the Security Trustee enter into such amendments to the Original Direct Agreement. However, there can be no assurance as to when such an amendment to the Original Direct Agreement will be executed or executed at all. This may adversely affect the ability of the expansion phase lenders (including Holders of the Notes) to exercise any rights of substitution or to have the direct benefit of any termination payments through the Security Trustee. See "Description of Material Indebtedness—Original Direct Agreement."

There are certain categories of property that will be excluded from the Collateral.

Certain categories of assets are excluded from the Collateral. For instance, under the Indenture, certain of our indebtedness may be secured by assets that do not secure the Notes, such as interests in certain types of accounts, shares in our subsidiaries and assets acquired with certain types of acquisition financing. If an event of default occurs and the Notes are accelerated, the Notes will be effectively subordinated to the holders of indebtedness secured by such assets to the extent of the value of such assets.

The transfer of the Notes is restricted, which may adversely affect their liquidity and the price at which they may be sold.

The Notes have not been registered under, and we are not obligated to register the Securities under, the Securities Act or the securities laws of any other jurisdiction and, unless so registered, may not be offered or sold except pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act and any other applicable laws. See "Plan of Distribution" and "Transfer Restrictions." We have

not agreed to or otherwise undertaken to register the Notes (including by way of an exchange offer) with the U.S. Securities and Exchange Commission or the securities regulatory authority of any other jurisdiction, and we have no intention of doing so.

We may incur additional indebtedness which could create additional risks or increase the risks described herein.

Subject to restrictions in the Indenture, we may incur additional indebtedness, which could increase the risks associated with our existing indebtedness. If we incur any additional indebtedness that ranks equally and ratably with the Notes, the relevant creditors will be entitled to share ratably with the Noteholders in any proceeds distributed in connection with our insolvency, liquidation, reorganization, dissolution or other winding-up. This may have the effect of reducing the amount of proceeds paid to the Noteholders. Covenants in agreements governing debt that we may incur in the future may also materially restrict our operations, including our ability to incur debt, pay dividends, make certain investments and payments, and encumber or dispose of assets. In addition, we could be in default of financial covenants contained in agreements relating to our existing or future debt in the event that our results of operations do not meet any of the terms in the covenants, including the financial thresholds or ratios. A default under one debt instrument may also trigger cross-defaults under other debt instruments. An event of default under any debt instrument, if not cured or waived, could have a material adverse effect on our business, financial condition, cash flows and results of operations.

Noteholder claims against non-guarantor subsidiaries will be structurally subordinated to the liabilities of such subsidiaries.

As of the Original Issue Date, none of the Company's subsidiaries will be guarantors of the Notes. Accordingly, the Notes will be effectively subordinated in right of payment to all Indebtedness and other liabilities and commitments of our current and future non-guarantor subsidiaries. As of September 30, 2020, our subsidiaries had total indebtedness of Rs. 5,261.7 million (US$71.3 million). Together, our subsidiaries generated 48.5% and 26.6% of our consolidated revenues for the six months ended September 30, 2020 and 2019, respectively, and our subsidiaries held 12.2% of our consolidated assets as of September 30, 2020. Claims of creditors of any of our subsidiaries that are not guarantors of the Notes, including trade creditors, secured creditors and creditors holding indebtedness or a guarantee issued by such non-guarantor subsidiaries, will generally have priority on the assets of the non-guarantor subsidiaries over the claims of our creditors, including holders of the Notes, even if the obligations of the non-guarantor subsidiaries do not constitute senior indebtedness. All obligations of our non-guarantor subsidiaries will have to be satisfied before any of the assets of such subsidiaries would be available for distribution, upon a liquidation or otherwise, to the Company or a subsidiary guarantor. Subject to certain limitations, the Indenture will permit these subsidiaries to incur additional indebtedness and will not contain any limitation on the amount of other liabilities, such as trade payables, that may be incurred by these subsidiaries.

Any future Subsidiary Guarantees, if issued, may be challenged under applicable financial assistance, insolvency or fraudulent transfer laws, or RBI regulations on the provision of guarantees which could impair the enforceability of the Subsidiary Guarantees.

If any subsidiary of ours in India provides a guarantee or other financial assistance, under bankruptcy laws, fraudulent transfer laws, insolvency or similar laws in India, a guarantee that was granted by the guarantor within six months before the commencement of such guarantor's winding up will be deemed a fraudulent preference of its creditors and may be invalid accordingly. Under provisions of the Insolvency and Bankruptcy Code, 2016 (of India) ("Bankruptcy Code") a transaction of a corporate debtor (which would include a corporate debtor who is a guarantor for a period of two years before such commencement date), if undervalued, shall be declared void and such transaction can be reversed by the adjudicating authority on an application by the liquidator. The

Bankruptcy Code also sets out that if during the corporate insolvency resolution process or a liquidation process, it is found that any business of a corporate debtor has been carried on with intent to defraud creditors of the corporate debtor or for any fraudulent purpose or is an undervalued transaction, the adjudicating authority may, on the application of the resolution professional, pass an order that any persons who were knowingly parties to the carrying on of the business in such manner shall be liable to make such contributions to the assets of the corporate debtor as it may deem fit. Further, Subsidiary Guarantees are regulated by the Master Direction on Guarantees and Co-Acceptances dated July 1, 2015 as amended from time to time.

Even if a subsidiary in a jurisdiction other than India, if incorporated, provides a guarantee or other financial assistance, the measure of insolvency for purposes of the foregoing will vary depending on the laws of the applicable jurisdiction. If a court voids a Subsidiary Guarantee, subordinates such guarantee to other indebtedness of the Subsidiary Guarantor, or holds the Subsidiary Guarantee unenforceable for any other reason, holders of the Notes would cease to have a claim against that Subsidiary Guarantor based upon such guarantee, would be subject to the prior payment of all liabilities (including trade payables and specified statutory dues) of such Subsidiary Guarantor, and would solely be unsecured creditors of the Company and any Subsidiary Guarantors whose guarantees have not been voided or held unenforceable. We cannot assure you that, in such an event, after providing for all prior claims, there would be sufficient assets to satisfy the claims of the holders of the Notes.

The Indian tax authorities may treat the Notes as property situated in India, in which case the non-resident Noteholders would be subject to Indian income tax on disposal of the Notes.

It is likely that the Indian tax authorities may treat the Notes as being situated in India as the Company is incorporated in and a resident in India. In such cases, non-resident Noteholders would be liable to pay taxes in India on the capital gains derived by them on disposal of Notes (subject to the provisions of the applicable Tax Treaty) and may not be entitled to Additional Amounts with respect to such tax. Non-resident Noteholders should consult their own tax advisers regarding such Noteholders' ability to claim a tax credit for any Indian income tax paid on the disposition of a Note. See "Taxation—Indian Taxation" for further details.

We may not be able to repurchase the Notes upon a Change of Control Triggering Event or redeem the Notes upon a Mandatory Redemption.

Upon the occurrence of a Change of Control Triggering Event or a Mandatory Redemption, each as defined in "Description of the Notes," we may be required to repurchase or redeem all or a portion of the Notes. If the maturity date or Change of Control Triggering Event or a Mandatory Redemption occurs at a time when other arrangements prohibit us from repaying or repurchasing the Notes, we would try to obtain waivers of such prohibitions from the lenders under those arrangements, or we could attempt to refinance the borrowings that contain the restrictions. We may also be required to obtain the prior written approval of the RBI or the authorized dealer bank in accordance with the ECB Guidelines, and comply with any conditions that the RBI or such authorized dealer bank may impose in accordance with the ECB Guidelines at the time of such approval. The RBI and the authorized dealer bank may not provide such approval in a timely manner or at all. Furthermore, any modification or waiver of the terms and conditions of the Notes which has the effect of modifying or waiving terms which are not permitted under the automatic route for issue of U.S. dollar-denominated bonds under the ECB Guidelines will require prior approval from the RBI in accordance with the ECB Guidelines, and such approval may not be forthcoming.

We cannot assure you that we will have sufficient funds or would be able to arrange financing on terms that are acceptable to us or at all or to obtain waivers of prohibitions from lenders under our other financing arrangements to make the required purchase or redemption. Nor can we assure you that the RBI will provide any required approvals in a timely manner or at all. If we are unable to obtain the waivers or refinance these

borrowings or obtain RBI approval, we would be unable to repay or repurchase the Notes. Additionally, in the event of a Mandatory Redemption the relevant changes in law or regulation that rendered payments under the Indenture and the Notes to be unlawful may inhibit our ability to redeem the Notes. Any failure by us to repurchase or redeem Notes upon a Change of Control Triggering Event or a Mandatory Redemption would be an event of default under the Notes and could, in turn, constitute an event of default under our other indebtedness, any of which could cause the related debt to be accelerated after any applicable notice or grace periods.

It may not be possible for investors to effect service of process or to enforce certain judgments on us.

We are incorporated in India and substantially all of our assets and operations are located in India. In addition, most of our directors reside in India. As a result, it may be difficult for investors to effect service of process on us or our directors outside India or to enforce judgments obtained in non-Indian courts, including judgments predicated upon the civil liability provisions of U.S. or other securities laws.

Judgments of non-Indian courts are not enforceable in Indian courts in the event a judgment has been passed by a court situated in a jurisdiction that is not a reciprocating territory with India. Further, even if the judgment is passed by a non-Indian court (and also being a superior court in terms of Section 44A of the Civil Code) in a country that is a reciprocating territory with India, the judgment can only be enforced through an Indian court process and is subject to the specific exceptions provided in the Code of Civil Procedure, 1908. A judgment of a court in a country which is not a reciprocating territory may be enforced in India only by a fresh proceeding suit instituted in a court of India and not by proceedings in execution. Such a suit has to be filed in India within three years from the date of the judgment in the same manner as any other suit filed in India to enforce a civil liability in India. As a result, Noteholders would be required to pursue claims against us or our directors in Indian courts. There can be no assurance that the claims or remedies available under Indian law will be the same, or as extensive, as those available in other jurisdictions. Further, it is unlikely that an Indian court would enforce foreign judgments if that court were of the view that the amount of damages awarded was excessive or inconsistent with Indian public policy. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered pursuant to the execution of such judgment and such amount may be subject to income tax in accordance with applicable laws. There cannot be any assurance whether a suit instituted in an Indian court will be disposed of in a timely manner or be subject to considerable delay.

An active trading market for the Notes may not develop and the trading price of the Notes could be materially and adversely affected.

The Notes are a new issue of securities for which there is currently no public trading market. Although the Initial Purchasers have advised us that they intend to make a market in the Notes, they are not obligated to do so and may discontinue such market making activity at any time without notice. We cannot predict whether an active trading market for the Notes will develop or be sustained. If an active trading market were to develop, the Notes could trade at prices that may be lower than their initial offering price. The liquidity of any market for the Notes depends on many factors, including:

- the number of holders of Notes;
- the interest of securities dealers in making a market in the Notes;
- prevailing interest rates and the markets for similar securities;

- general economic conditions; and

- our financial condition, historical financial performance and future prospects.

If an active market for the Notes fails to develop or be sustained, the trading price of the Notes could be materially and adversely affected. Application will be made for the listing and quotation of the Notes on the SGX-ST. However, no assurance can be given that we will be able to maintain such listing or that, if listed, a trading market will develop. We do not intend to apply for listing of the Notes on any securities exchange other than the SGX-ST. Lack of a liquid, active trading market for the Notes may adversely affect the price of the Notes or may otherwise impede a Noteholder's ability to dispose of the Notes.

The pledge of certain Collateral may in certain circumstances be deemed invalid or voidable.

The pledge of the Collateral securing the Notes may be invalid or voidable under insolvency, bankruptcy, fraudulent transfer, fraudulent preference under the Bankruptcy Code or similar laws of India and other jurisdictions, if and to the extent applicable. In the event the pledge of the Collateral is invalid or voidable under such laws in India, the relevant time period during which such security is deemed invalid or voidable could be within 12 months of the date of the winding-up petition or, under some circumstances, it could be held invalid or voidable within longer periods. If the pledges of the Collateral were to be voided or set aside for any reason, Noteholders would have only an unsecured claim against us.

Security over the Collateral will not be granted directly to the Noteholders.

Security over the Collateral for our obligations under the Notes and the Indenture will not be granted directly to the Noteholders but will be granted only in favor of the Security Trustee, who will hold such security on behalf of and for the benefit of the Noteholders. As a consequence, Noteholders will not have direct security and may not be entitled to take enforcement action in respect of the security for the Notes, except in accordance with the terms of the Intercreditor Agreement and Indenture through the Trustee or the Security Trustee, which have agreed to apply any proceeds of enforcement on such security towards such obligations.

It may not be possible for the Trustee to take certain actions.

The Notes, the Indenture and the Security Documents provide for the Trustee or the Security Trustee, as applicable, to take action on behalf of the Noteholders in certain circumstances, but only if the Trustee or the Security Trustee, as applicable, is indemnified, secured and pre-funded to its satisfaction. It may not be possible for the Trustee or the Security Trustee, as applicable, to take certain actions and accordingly in such circumstances the Trustee or the Security Trustee, as applicable, will be unable to take such actions, notwithstanding the provision of an indemnity to it, and it will be for the Noteholders to take such actions directly.

The Notes will initially be held in book-entry form.

The Notes will initially only be issued in global certificated form and held through DTC. Interests in the global notes will trade in book-entry form only, and Notes in definitive registered form, or definitive registered notes, will be issued in exchange for book-entry interests only in very limited circumstances. Owners of book-entry interests will not be considered owners or holders of Notes. The nominee of the custodian for DTC will be the sole registered holder of the global notes representing the Notes. Payments of principal, interest and other amounts owing on or in respect of the global notes representing the Notes will be made to the paying agent,

which will make payments to DTC. Thereafter, these payments will be credited to participants' accounts that hold book-entry interests in the global notes representing the Notes and credited by such participants to indirect participants. After payment to the custodian for DTC, we will have no responsibility or liability for the payment of interest, principal or other amounts to the owners of book-entry interests. Accordingly, if you own a book-entry interest, you must rely on the procedures of DTC, and if you are not a participant in DTC, on the procedures of the participant through which you own your interest, to exercise any rights and obligations of a holder of Notes under the indenture. Unlike the holders of the Notes themselves, owners of book-entry interests will not have the direct right to act upon our solicitations for consents, requests for waivers or other actions from holders of the Notes. Instead, if you own a book-entry interest, you will be permitted to act only to the extent available via the facilities of DTC, which, in turn, rely on the procedures of the participant through which you hold your book-entry interest. The procedures implemented for such actions may not be sufficient to enable you to vote on a timely basis.

Similarly, upon the occurrence of an event of default under the Indenture, unless and until definitive registered Notes are issued in respect of all book-entry interests, owners of book-entry interests will be restricted to acting through DTC via the participant through which you hold your book-entry interest. The procedures to be implemented through DTC may not be adequate to ensure the timely exercise of rights under the Notes. See "Description of the Notes—Book-Entry, Delivery and Form."

Early redemption of the Notes prior to their stated average maturity may be subject to compliance with the applicable regulatory requirements, including the prior approval of the Reserve Bank of India.

An early redemption of the Notes will be subject to limitations on the ability of the Company to redeem the Notes prior to the stated date of maturity which would include obtaining prior written approval of an authorized dealer bank recognized by the RBI and other relevant Indian authorities at the time of such approval. There can be no assurance that the authorized dealer bank or the RBI or any other relevant Indian authority will provide the requisite approvals in a timely manner or at all.

Payments under the Notes are subject to the ECB Guidelines regarding remittance of funds outside India.

The payment under the Notes are subject to the ECB Guidelines governing remittance of funds outside India. Any approval, if and when required, for the remittance of funds outside India is at the discretion of the RBI and the Company may be subjected to restrictions or delay with respect to repayment under the terms of the Notes.

The ratings assigned to the Notes may be lowered or withdrawn.

The ratings assigned to the Notes may be lowered or withdrawn entirely in the future. The Notes are expected to be rated "BB+" by Fitch and Ba2 by Moody's. The ratings represent the opinions of the ratings agencies and their assessment of our ability to perform our obligations under the terms of the Notes and credit risks in determining the likelihood that payments will be made when due under the Notes. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time. No assurances can be given that a rating will remain for any given period of time or that a rating will not be lowered or withdrawn entirely by the relevant rating agency if in its judgment circumstances in the future so warrant. We have no obligation to inform Noteholders of any such revision, downgrade or withdrawal. In addition, we cannot assure you that rating agencies other than Moody's or Fitch would not rate the Notes differently. A suspension, reduction or withdrawal at any time of the rating assigned to the Notes or the assignment by a rating agency other than Moody's or Fitch of a rating of the Notes lower than those provided may adversely affect the market price of the Notes.

USE OF PROCEEDS

The gross proceeds from this offering will be US$300 million.

We intend to use the gross proceeds of the offering of the Notes for part of the capital expenditures with respect to the Master Plan as part of the Current Expansion in accordance with applicable law, including the ECB Guidelines. Payment of estimated fees and expenses of approximately US$3.0 million (Rs. 222.3 million) relating to the offering of the Notes will be paid from our internal resources.

CAPITALIZATION

The following table sets forth our indebtedness and capitalization as at September 30, 2020 (i) on an actual basis and (ii) on an as adjusted basis to give effect to the offering of the Notes.

You should read this table in conjunction with our financial statements and related notes thereto appearing elsewhere in this offering memorandum, as well as "Selected Financial and Other Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Use of Proceeds."

	As at September 30, 2020			
	Actual		As Adjusted	
	(US$)	(Rs.)	(US$)	(Rs.)
		(in millions)		
Non-current borrowings (included in financial liabilities)	753.3	55,594.2	753.3	55,594.2
Short-term borrowings (included in financial liabilities)	7.5	555.6	7.5	555.6
Interest accrued but not due on borrowings (included in other financial liabilities)	22.6	1,665.2	22.6	1,665.2
Current maturities of long-term borrowings (included in other financial liabilities)	2.3	168.9	2.3	168.9
Notes offered hereby[1]	—	—	300.0	22,139.3
Total debt	**785.7**	**57,983.9**	**1,085.7**	**80,123.2**
Equity attributable to equity holders of the parent	224.5	16,568.0	224.5	16,568.0
Total equity	224.5	16,568.0	224.5	16,568.0
Total capitalization[2]	**1,010.2**	**74,551.9**	**1,310.2**	**96,691.2**

(1) Does not reflect the payment of estimated fees and expenses of US$3.0 million (Rs. 222.3 million) relating to the offering of the Notes which will be paid from our internal resources.

(2) Total capitalization is the sum of total debt and total equity.

In December 2020, we drew down on our working capital facilities in the aggregate amount of Rs. 1,500 million. In addition, during the period from September 30, 2020 through December 31, 2020, certain of our subsidiaries also drew down on their working capital facilities. See "Description of Material Indebtedness."

Except as otherwise disclosed herein, there has been no material change in our capitalization since September 30, 2020.

SELECTED FINANCIAL AND OTHER DATA

You should read the selected financial and other data below, together with the financial statements and related notes thereto appearing elsewhere in this offering memorandum, as well as "Presentation of Financial Information," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the other financial information included elsewhere in this offering memorandum.

In this section, unless otherwise stated, the financial information presented with respect to the six month periods September 30, 2020 and 2019 and the fiscal years ended March 31, 2020, 2019 and 2018 has been derived from the respective financial statements, prepared and presented under Ind-AS on a consolidated basis, which are included elsewhere in this offering memorandum. S. R. Batliboi & Associates LLP and K. S. Rao & Co., independent auditors, have jointly audited our consolidated financial statements for the fiscal years ended March 31, 2019 and 2018. Walker Chandiok & Co LLP and K. S. Rao & Co., independent auditors, have jointly audited our consolidated financial statements for the fiscal year ended March 31, 2020 and have jointly reviewed our interim consolidated financial statements for the six months ended September 30, 2020 and 2019. The joint review and audit reports on certain of the above financial statements underlying the financial information presented in this offering memorandum contain certain qualification(s) and/or emphasis of matters. See "Presentation of Financial Information" and "Risk Factors—Risks Related to our Business—The joint review and audit reports from our independent joint auditors in respect of our consolidated financial statements contain certain qualification(s) and/or emphasis of matters" for further details.

Total revenue as presented in this offering memorandum for the six months ended September 30, 2020 and 2019 and the fiscal years ended March 31, 2020, 2019 and 2018 represents the aggregate of (i) revenue from contracts with customers and (ii) other income (including finance income). For the fiscal years ended March 31, 2019 and 2018, finance income was disclosed separately in the audited consolidated financial statements and has been grouped with other income in this offering memorandum to maintain consistency with the disclosures of the fiscal year March 31, 2020.

Our consolidated financial statements as at and for the six months ended September 30, 2020 and 2019 and as at and for the years ended March 31, 2020, 2019 and 2018 have been prepared under Ind-AS. Ind-AS may differ in material respects from generally accepted accounting principles in other jurisdictions. See "Risk Factors—Risks Related to India—Indian accounting principles differ from those which prospective investors may be familiar with in other countries" for further details. Ind-AS differs in certain respects from IFRS. See "Summary of Certain Significant Differences Between Ind-AS and IFRS" for further details.

Selected Profit and Loss Account

	Six Months Ended September 30			Fiscal Year Ended March 31,			
	2020		2019	2020		2019	2018
	(US$ in millions)	(Rs. in millions)		(US$ in millions)	(Rs. in millions)		
Incomes							
Revenue from contracts with customers	39.5	2,914.3	10,135.6	272.7	20,124.7	18,760.5	15,934.8
Other income (including finance income)	12.4	913.0	577.2	16.6	1,225.5	1,260.5	1,591.9
Total income/Revenue	**51.9**	**3,827.3**	**10,712.8**	**289.3**	**21,350.2**	**20,021.0**	**17,526.7**
Expenses							
Concession fee	1.1	83.3	327.8	9.3	685.0	615.3	529.5
Purchase of traded goods	0.1	4.2	384.5	11.2	829.2	596.5	478.4
Changes in inventory of traded goods	0.3	21.7	(76.2)	(2.1)	(156.3)	18.2	(7.1)
Employee benefits expense	15.0	1,108.9	1,089.5	30.6	2,255.0	1,919.1	1,471.2
Finance costs	18.7	1,378.8	1,306.4	38.8	2,866.3	2,487.5	2,581.2
Depreciation and amortization expenses	15.9	1,175.3	1,044.9	29.3	2,164.9	1,810.4	2,359.3
Other expenses	28.5	2,106.3	2,528.8	75.2	5,548.8	4,830.4	3,931.7
Total expenses	**79.7**	**5,878.5**	**6,605.7**	**192.3**	**14,192.9**	**12,277.4**	**11,344.2**
(Loss)/Profit before share of profit in joint venture and tax	**(27.8)**	**(2,051.2)**	**4,107.1**	**97.0**	**7,157.3**	**7,743.6**	**6,182.5**
Share of profit in joint venture	(0.1)	(4.0)	18.8	0.6	45.0	37.6	40.3
(Loss)/Profit before tax	**(27.8)**	**(2,055.2)**	**4,125.9**	**97.6**	**7,202.3**	**7,781.2**	**6,222.8**
Tax expense							
Current tax—Minimum Alternate tax	0.0	0.0	662.4	16.0	1,182.0	1,687.0	1,373.9
Deferred tax							
Deferred tax expense/ (credit)	(0.1)	(8.3)	(150.4)	(1.0)	(74.3)	153.4	56.1
Minimum alternate tax credit entitlement	0.0	3.4	(291.1)	(7.0)	(517.0)	(1,363.1)	(1,011.4)
Total tax expense	**(0.1)**	**(4.9)**	**220.9**	**8.0**	**590.7**	**477.3**	**418.6**
(Loss)/Profit for the year	**(27.8)**	**(2,050.3)**	**3,905.0**	**89.6**	**6,611.6**	**7,303.9**	**5,804.2**
Other comprehensive income							
Items that will not be reclassified to profit or loss							
Re-measurement losses on defined benefit plans	(0.0)	(2.2)	(16.4)	(0.3)	(19.1)	(11.3)	(1.8)
Share of other comprehensive income in joint venture	(0.0)	(0.3)	0.0	0.0	0.2	(0.4)	0.0
Income tax relating to items that will not be reclassified to profit or loss	0.0	0.0	0.5	0.0	1.8	0.8	0.0
Items that will be reclassified to profit or loss							
Cash flow hedge reserve	0.8	59.7	1,400.1	26.4	1,951.2	340.2	147.4
Income tax relating to items that will be reclassified to profit or loss	(1.1)	(82.4)	(180.5)	(8.4)	(617.8)	(170.4)	0.0
Total Other Comprehensive (Loss)/income for the period	**(0.3)**	**(25.2)**	**1,203.7**	**17.8**	**1,316.3**	**158.9**	**145.6**
Total comprehensive (Loss)/income for the period, net of tax	**(28.1)**	**(2,075.5)**	**5,108.7**	**107.4**	**7,927.9**	**7,462.8**	**5,949.8**
Profit attributable to							
Equity holders of the parent	(27.8)	(2,050.3)	3,905.0	89.6	6,611.6	7,240.0	5,656.3
Non-controlling interest	0.0	0.0	0.0	0.0	0.0	63.9	147.9
Other comprehensive income attributable to							
Equity holders of the parent	(0.3)	(25.2)	1,203.7	17.8	1,316.3	159.4	145.8
Non-controlling interest	0.0	0.0	0.0	0.0	0.0	(0.5)	0.2
Total comprehensive income attributable to							
Equity holders of the parent	(28.1)	(2,075.5)	5,108.7	107.4	7,927.9	7,399.4	5,802.1
Non-controlling interest	0.0	0.0	0.0	0.0	0.0	63.4	147.7
Earnings per equity share							
Basic and diluted (in absolute USD/Rs.)	(0.07)	(5.42)	10.33	0.24	17.49	19.15	14.96

Selected Balance Sheet Data	As at September 30,		As at March 31,			
	2020		2020		2019	2018
	(US$ in millions)	(Rs. in millions)	(US$ in millions)	(Rs. in millions)		
ASSETS						
Non-current assets						
Property, plant and equipment	354.9	26,193.0	366.9	27,078.6	24,641.0	19,869.6
Capital work-in-progress	232.1	17,126.3	180.9	13,352.6	4,361.2	3,478.6
Right of use asset	10.4	767.0	10.1	744.7	0.0	0.0
Intangible assets	12.0	885.0	8.4	619.2	564.2	569.0
Intangible assets under development	0.3	20.3	0.2	12.4	12.5	12.1
Investment in joint venture	4.9	359.2	2.6	192.5	147.5	110.2
Financial assets						
- Loans	2.6	189.9	2.4	173.7	16.0	0.0
- Bank balances other than cash and cash equivalents	0.0	0.0	0.0	0.0	6.2	15.3
- Other non-current financial assets	101.3	7,478.6	117.2	8,650.0	2,591.9	830.4
Non-current tax assets	6.8	499.6	7.0	518.8	289.6	240.6
Deferred tax asset (net)	32.9	2,429.3	34.3	2,528.3	4,057.1	2,694.0
Other non-current assets	109.0	8,042.6	100.2	7,393.0	5,545.8	949.9
	867.1	**63,990.8**	**830.2**	**61,263.8**	**42,233.0**	**28,769.7**
Current assets						
Inventories	13.5	995.7	11.1	818.5	561.8	568.6
Contract assets	0.0	0.0	0.0	0.0	104.8	0.0
Financial assets						
- Investments	93.1	6,871.4	168.2	12,411.0	4,827.6	9,410.8
- Trade receivables	16.5	1,220.2	24.2	1,787.7	1,805.5	1,294.7
- Cash and cash equivalents	57.1	4,211.2	36.7	2,709.8	3,950.8	5,985.5
- Bank balances other than cash and cash equivalents	56.8	4,188.9	92.3	6,809.3	1,150.5	713.8
- Loans	29.0	2,138.6	29.4	2,171.3	517.0	27.3
- Other current financial assets	22.4	1,656.1	20.0	1,476.3	182.2	189.3
Current tax assets	0.0	0.0	0.2	17.1	171.1	154.5
Other current assets	10.3	758.6	7.5	553.3	189.8	114.5
	298.7	**22,040.7**	**389.6**	**28,754.3**	**13,461.1**	**18,459.0**
Asset held for sale	**0.0**	**0.0**	**7.9**	**584.5**	**0.0**	**0.0**
Total Assets	**1,165.8**	**86,031.5**	**1,227.7**	**90,602.6**	**55,694.1**	**47,228.7**
EQUITY AND LIABILITIES						
EQUITY						
Equity share capital	51.2	3,780.0	51.2	3,780.0	3,780.0	3,780.0
Other equity						
- Capital reserve	14.5	1,070.0	14.5	1,070.0	1,070.0	1,070.0
- Retained earnings	136.7	10,090.1	164.5	12,142.9	6,684.3	1,485.6
- Cash flow hedge reserve	22.1	1,627.9	22.4	1,650.6	317.2	147.4
Equity attributable to equity holders of the parent	**224.5**	**16,568.0**	**252.6**	**18,643.5**	**11,851.5**	**6,483.0**
Non-controlling interests	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**582.7**
Total Equity	**224.5**	**16,568.0**	**252.6**	**18,643.5**	**11,851.5**	**7,065.7**
LIABILITIES						
Non-current liabilities						
Contract Liabilities	0.0	0.0	0.0	0.0	413.1	0.0
Financial liabilities						
- Borrowings	753.3	55,594.2	770.5	56,858.1	31,765.3	30,458.4
- Lease liabilities	11.6	858.2	11.3	830.5	0.0	0.0
- Other financial liabilities	31.6	2,331.2	31.2	2,299.2	2,460.9	2,416.7
Government grants	4.5	329.5	4.8	355.9	408.7	461.3
Long term provisions	0.5	40.1	0.2	14.7	13.6	16.5
Deferred tax liability (net)	0.7	49.9	0.9	65.4	1,582.3	1,259.3
Other non-current liabilities	12.7	935.2	9.3	684.3	223.2	670.6
	814.9	**60,138.3**	**828.0**	**61,108.1**	**36,867.1**	**35,282.8**
Current liabilities						
Contract Liabilities	0.0	0.0	0.0	0.0	42.6	0.0
Financial Liabilities						
- Borrowings	7.5	555.6	2.7	199.2	280.0	280.0
- Trade payables						
- Total outstanding dues of micro and small enterprises	1.7	127.0	1.6	115.8	7.0	0.0
- Total outstanding dues of creditors other than micro and small enterprises	22.5	1,657.8	21.3	1,571.7	1,332.6	1,365.1
- Other financial liabilities	79.7	5,885.1	99.1	7,316.0	4,225.5	2,399.0
Government grants	0.7	52.7	0.7	52.7	52.7	52.7
Other current liabilities	6.9	511.3	8.0	593.5	485.2	422.7
Short term provisions	3.1	228.5	3.1	229.9	182.5	126.6
Current tax liability (net)	4.2	307.2	4.9	358.7	367.4	234.1
	126.4	**9,325.2**	**141.4**	**10,437.5**	**6,975.5**	**4,880.2**
Liabilities Classified as held for sale	**0.0**	**0.0**	**5.6**	**413.5**	**0.0**	**0.0**
Total liabilities	**941.3**	**69,463.5**	**975.1**	**71,959.1**	**43,842.6**	**40,163.0**
Total Equity and Liabilities	**1,165.8**	**86,031.5**	**1,227.7**	**90,602.6**	**55,694.1**	**47,228.7**

Cash Flow Statement Data	Six months ended September 30,			Year ended March 31,			
	2020		2019	2020		2019	2018
	(US$ in millions)	(Rs. in millions)		(US$ in millions)	(Rs. in millions)		
Net cash flow from operating activities	(6.9)	(512.2)	3,734.7	108.6	8,014.6	9,161.4	9,827.2
Net cash flow used in investing activities	54.8	4,041.8	(22,204.1)	(325.3)	(24,009.2)	(6,167.3)	(7,941.6)
Net cash flow used in financing activities	(27.5)	(2,029.2)	18,435.1	207.8	15,337.4	(5,028.3)	822.9

Other Financial Data	Six months ended September 30,		Year ended March 31,		
	2020	2019	2020	2019	2018
Capital expenditures (Purchase of property, plant and equipment including capital work in progress , capital advances and intangible assets) (in Rs. millions)[2]	5,340.9	4,539.8	10,924.0	10,289.5	3,397.2
Adjusted EBITDA[3]/Total revenue (%)	(7.7)%	56.0%	52.3%	55.4%	57.4%
Total Indebtedness[4]/Adjusted EBITDA[3]	**—**		5.3	3.0	3.1
Net Indebtedness[5]/Adjusted EBITDA[3]	—		3.3	2.1	1.5
Profit/(loss) before tax/Total revenue (%)	(53.7)%	38.5%	33.7%	38.9%	35.5%

(1) A significant portion of our revenues are earned from aeronautical services, and the aeronautical service fees we charge to airlines, passengers and other users for such services are regulated by AERA in accordance with the AERA Act, 2008 and our Concession Agreement. Any adverse change in AERA's determinations of our aeronautical charges would have a material and adverse effect on our results of operations. See "Risk Factors—Risks Related to Our Business—The fees we charge for aeronautical services—which comprise a significant portion of our revenues—are regulated by the Government of India, through AERA, in accordance with the terms of our Concession Agreement. Accordingly, government regulations and the terms of our Concession Agreement have materially affected our historical results of operations, cash flows and financial condition, and will continue to affect our future results of operations, cash flows and financial condition, which could be materially and adversely affected by the to-be-announced rate determinations for our aeronautical services. Further, the 2020 AERA Order is effective for the second control period, which has lead to a substantial drop in revenues and has negatively impacted our results of operations" and "Indian Regulatory Environment—The Airports Economic Regulatory Authority of India Act, 2008" for further details.

(2) See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Capital expenditures" for historical information regarding our capital expenditures.

(3) Adjusted EBITDA is calculated as earnings before interest (including certain items in the nature of finance income), tax expense, depreciation and amortization and share of profit of joint ventures. Adjusted EBITDA is a supplemental measure of our performance and liquidity, and although Adjusted EBITDA is a widely used financial indicators of a company's ability to service and incur debt, we caution you that Adjusted EBITDA should not be considered in isolation or construed as an alternative to cash flows, net income or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating activities. Below is a reconciliation of profit/loss for the year/period to Adjusted EBITDA:

	Six months ended September 30,			Year ended March 31,			
	2020		2019	2020		2019	2018
	(US$ in millions)	(Rs. in millions)		(US$ in millions)	(Rs. in millions)		
Profit/(Loss) for the year/period	(27.8)	(2,050.3)	3,905.0	89.6	6,611.6	7,303.9	5,804.2
Add:							
Finance costs	**18.7**	**1,378.8**	**1,306.4**	**38.8**	**2,866.3**	**2,487.5**	**2,581.2**
Tax expense							
Current tax — minimum alternate tax		0.0	662.4	16.0	1,182.0	1,687.0	1,373.9
Deferred tax expense	(0.0)	(8.3)	(150.4)	(1.0)	(74.3)	153.4	56.1
Minimum alternate tax credit entitlement	0.0	3.4	(291.1)	(7.0)	(517.0)	(1,363.1)	(1,011.4)
Total tax expense	**(0.1)**	**(4.9)**	**220.9**	**8.0**	**590.7**	**477.3**	**418.6**
Depreciation and amortization expenses	**15.9**	**1,175.3**	**1,044.9**	**29.3**	**2,164.9**	**1,810.4**	**2,359.3**
Less:							
Finance Income							
Interest on financial assets at amortised cost							
Bank deposits	0.7	48.1	168.4	3.6	267.5	276.9	364.2
Loan to joint venture	0.0	0.0	0.0	0.0	0.3	4.1	14.7
Others	9.7	713.2	217.9	7.6	559.2	234.4	109.4
Gain on sale of financial assets (mutual funds)	0.5	35.7	70.5	2.5	185.7	436.0	208.2
Gain on fair valuation of financial assets (mutual funds)	—	0.0	5.8	0.0	0.0	1.0	106.9
Interest on interest rate swap arrangement		0.0	0.0	0.0	0.0	0.0	135.3
Gain on fair valuation of interest rate swap	—	0.0	0.0	0.0	0.0	0.0	119.2
Share of profit in joint ventures	**(0.1)**	**(4.0)**	**18.8**	**0.6**	**45.0**	**37.6**	**40.3**
Adjusted EBITDA	**(4.1)**	**(294.1)**	**5,995.8**	**151.4**	**11,175.8**	**11,089.1**	**10,065.1**

(4) Total Indebtedness represents (i) non-current borrowings (included in financial liabilities), (ii) short-term borrowings (included in financial liabilities), (iii) current maturities of long-term borrowings (included in other financial liabilities) and (iv) interest accrued but not due on borrowings (included in other financial liabilities). Below is a calculation of total indebtedness for the periods presented:

	Six months ended September 30,			Year ended March 31,			
	2020		2019	2020		2019	2018
	(US$ in millions)	(Rs. in millions)		(US$ in millions)	(Rs. in millions)		
Non-current borrowings (included in financial liabilities)	753.3	55,594.2	53,342.3	770.5	56,858.1	31,765.3	30,458.4
Short-term borrowings (included in financial liabilities)	7.5	555.6	197.3	2.7	199.2	280.0	280.0
Current maturities of long-term borrowings (included in other financial liabilities)	2.3	168.9	52.8	1.0	75.9	70.3	59.3
Interest accrued but not due on borrowings (included in other financial liabilities)	22.6	1,665.2	1,686.3	23.0	1,696.3	861.1	849.7
Total Indebtedness	**785.7**	**57,983.9**	**55,278.7**	**797.2**	**58,829.5**	**32,976.7**	**31,647.4**

(5) Net Indebtedness represents (a) (i) Total Indebtedness, less (b) (i) cash and cash equivalents (included in current assets), (ii) bank balances other than cash and cash equivalents (included in current assets), (iii) bank balances other than cash and cash equivalents (included in non-current assets) and (iv) current investments (included in financial assets). Below is a calculation of net indebtedness for the periods presented:

	As at September 30,			As at March 31,			
	2020		2019	2020		2019	2018
	(US$ in millions)	(Rs. in millions)		(US$ in millions)	(Rs. in millions)		
Total Indebtedness	785.7	57,983.9	55,278.7	797.2	58,829.5	32,976.7	31,647.4
Less:							
Cash and cash equivalents (included in current assets)	57.1	4,211.2	3,916.3	36.7	2,709.8	3,950.8	5,985.5
Bank balances other than cash and cash equivalents (included in current assets)	56.8	4,188.9	16,880.4	92.3	6,809.3	1,150.5	713.8
Bank balances other than cash and cash equivalents (included in non-current assets)	0.0	0.0	0.0	0.0	0.0	6.2	15.3
Current investments (included in financial assets)	93.1	6,871.4	7,393.7	168.2	12,411	4,827.6	9,410.8
Net Indebtedness	**578.8**	**42,712.4**	**27,088.3**	**500.0**	**36,899.4**	**23,041.6**	**15,522.0**

	Six months ended September 30,		Year ended March 31,		
	2020	2019	2020	2019	2018
Operating Data					
Total passengers (in millions of persons)	**1.9**	**10.9**	**21.6**	**21.4**	**18.2**
International	0.1	2.0	3.9	4.0	3.7
Domestic	1.8	8.8	17.7	17.4	14.5
Total air traffic movements	**24,725**	**89,908**	**183,450**	**179,606**	**149,581**
International	2,496	12,977	25,759	25,885	24,795
Domestic	22,229	76,931	157,691	153,721	124,786
Total cargo (in metric tons)	**45,809**	**72,806**	**166,425**	**144,126**	**134,141**
International	28,531	42,255	82,471	83,954	79,177
Domestic	17,278	30,551	83,954	60,172	54,964

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations together with our financial statements and related notes thereto appearing elsewhere in this offering memorandum, as well as "Presentation of Financial Information" and "Selected Financial and Other Data."

In this section, unless otherwise stated, the financial information presented with respect to the six months ended September 2020 and 2019 and the fiscal years ended March 31, 2020, 2019 and 2018 has been derived from the respective financial statements, prepared and presented under Ind-AS on a consolidated basis, which are included elsewhere in this offering memorandum. The joint review and audit reports on certain of the above financial statements underlying the financial information presented in this offering memorandum contain certain qualification(s) and/or emphasis of matters. See "Presentation of Financial Information" and "Risk Factors—Risks Related to our Business—The joint review and audit reports from our independent joint auditors in respect of our consolidated financial statements contain certain qualification(s) and/or emphasis of matters" for further details.

Total revenue as presented in this offering memorandum for the six months ended September 30, 2020 and 2019 and the fiscal years ended March 31, 2020, 2019 and 2018 represents the aggregate of (i) revenue from contracts with customers and (ii) other income (including finance income). For the fiscal years ended March 31, 2019 and 2018, finance income was disclosed separately in the audited consolidated financial statements and has been grouped with other income in this offering memorandum to maintain consistency with the disclosures of the fiscal year March 31, 2020.

In order to align the classification of major revenue streams as per the tariff set under the 2020 AERA Order, we reclassified the revenue streams accruing to fuel farm, ground handling and cargo handling services under the aeronautical revenue during fiscal year 2020. These revenue streams prior to fiscal year 2020 were classified as non-aeronautical revenue under the audited financial statements. For the purpose of comparability across all periods, in this offering memorandum we have presented revenues from fuel farm, ground handling and cargo handling services pertaining to fiscal year 2019 and fiscal year 2018 under aeronautical revenues. See "Management's Discussion and Analysis of Financial Position and Results of Operations—Components of our income and expenditure—revenue."

Our consolidated financial statements as at and for the six months ended September 2020 and 2019 and the fiscal years ended March 31, 2020, 2019 and 2018 have been prepared under Ind-AS. Ind-AS may differ in material respects from generally accepted accounting principles in other jurisdictions. See "Risk Factors—Risks Related to India—Indian accounting principles differ from those which prospective investors may be familiar with in other countries" for further details. Ind-AS differs in certain respects from IFRS. See "Summary of Certain Significant Differences Between Ind-AS and IFRS" for further details.

This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those discussed in or implied by any of the forward-looking statements as a result of various factors, including but not limited to those listed under "Risk Factors" and "Forward-Looking Statements."

OVERVIEW

We hold the exclusive right to operate, manage and develop Rajiv Gandhi International Airport (the "Airport")—one of the busiest airports in India in terms of passenger traffic, ranking sixth for fiscal year 2020

and fourth for the six months ended September 30, 2020, according to data compiled by the Airports Authority of India ("AAI"). Our core activities include the development, management, maintenance and operation of the Airport and the management of commercial and other activities conducted at the Airport, including commercial property development and the provision of maintenance, repair and overhaul ("MRO") services to air carriers, and we also own the five-star rated Novotel Hyderabad Airport Hotel located in the vicinity of the Airport. The Airport serves Hyderabad, which is the fourth most populous city in India and currently the joint capital of Telangana and Andhra Pradesh, making it the regional hub while the new capital of Andhra Pradesh is under construction. The Airport is strategically located in central India, with the majority of India's territory reachable within two hours' flight time and the major population centers of the Middle East, Central and Southeast Asia reachable within five hours' flight time. In fiscal year 2020, the Airport served 26 airlines operating connections to 70 destinations, comprising 16 international destinations and 54 domestic destinations. As at September 30, 2020, the Airport served 16 airlines operating connections to 57 destinations, comprising 6 international destinations (operated through flight bubble arrangements) and 51 scheduled domestic destinations. Prior to the COVID-19 pandemic, the Airport was one of the fastest growing non-metro airports in India with air passenger traffic having grown at a compound annual growth rate ("CAGR") of 12.0% between fiscal year 2009 and fiscal year 2020, according to AAI.

The Airport's operations have been significantly impacted by the COVID-19 pandemic. Civil aviation in India was suspended by the Government on March 23, 2020, and the Government of India also imposed a country-wide lockdown from March 25, 2020, which extended until September 30, 2020 (with certain limited exceptions) to contain the spread of COVID-19. Restrictions on domestic flight operations were partially lifted from May 25, 2020, and domestic passenger traffic has been gradually returning in line with a phased increase in flight activity in accordance with directives from the Government of India. We had domestic passenger traffic of 0.2 million for the three months ended June 30, 2020, which increased to 1.6 million for the three months ended September 30, 2020. However, international passenger traffic has yet to meaningfully resume due to cross border travel restrictions. Currently, only Vande Bharat Mission flights and flights under flight bubble arrangements are operating on international routes with limited frequency. Vande Bharat Mission flights have no fixed schedule and are special one-off flights arranged by the Government to facilitate Indian citizens returning from abroad during the COVID-19 pandemic. Flight bubble arrangements are bilateral agreements between India and other countries to allow a certain mutually agreed number of scheduled flights to operate between the countries. As of September 30, 2020, flight bubble arrangements were in place between India and Afghanistan, Bahrain, Bhutan, Canada, France, Germany, Iraq, Japan, Kenya, the Maldives, Nigeria, Qatar, the UAE, the UK and the USA. We believe that passenger traffic at the Airport will not fully recover until the widespread administration of effective vaccines is completed and health care facilities to combat COVID-19 are improved to allay the concerns of air travellers. CRISIL Research expects passenger traffic to grow at the Airport at a CAGR of 5.0% to 6.0% from fiscal year 2020 to fiscal year 2025 and reach 27.0 to 28.0 million in fiscal year 2025, with domestic traffic expected to outperform international traffic. Total cargo traffic at the Airport for the six months ended September 30, 2020 was 45,809 metric tons compared to 72,806 metric tons for the same period in 2019, representing a decrease of 37.1%. Historically, approximately 50% of our cargo volumes was carried on passenger planes. We believe that cargo volume recovery will be relatively faster than passenger traffic recovery. CRISIL Research expects cargo traffic to grow at a CAGR of 6.0% to 7.0% from fiscal year 2020 to 2025 and reach 201,000 metric tons by fiscal year 2025. The reduced aviation traffic due to COVID-19 has also affected our non-aeronautical operations, including, among others, duty free and retail operations, food and beverages, land and space rentals, and others. See "Summary—Introduction—Recent Developments—COVID-19 Outbreak" and "Risk Factors—Risks Related to Our Business—Any outbreaks of contagious diseases such as the recent outbreak of COVID-19 may have a material adverse effect on our business operations, financial condition and results of operations."

Located at Shamshabad, Hyderabad between National Highway 7 ("NH7") and Srisailam Highway, the Airport is connected to parts of South-central India by NH7 and Srisailam Highway and to Hyderabad city by the

Outer Ring Road, an eight-lane expressway encircling the entire city, and by the PV Narasimha Rao elevated road to the city center. The government has also announced plans to connect the Airport to the city through the multi-modal transport system ("MMTS"), suburban rail link and Hyderabad metro rail. Pursuant to the Concession Agreement, no new or existing airport is permitted to be developed as, or improved or upgraded into, an international or a domestic airport within an aerial distance of 150 km of the Airport before March 23, 2033 (the 25th anniversary of the Airport Opening Date). See "Industry" for additional information about the aviation sector in India. See "Risk Factors—Risks Related to our Business—The Government of India could grant new concessions that compete with the Airport."

GHIAL was incorporated on December 17, 2002 following a competitive bidding process in which a consortium, led by the GMR Group, was awarded an exclusive concession to design, finance, build, operate and maintain the Airport. On December 20, 2004, we entered into the Concession Agreement with the Ministry of Civil Aviation ("MoCA"), Government of India, which governs our rights and obligations under the Concession. Under the terms of the Concession Agreement (i) we were granted the exclusive right to operate, manage and develop the Airport for a 30-year period until March 23, 2038, with an option to extend the term for an additional 30 years, which we have already exercised and (ii) we are required to pay a concession fee equivalent to 4.0% of our gross revenue annually to the Government of India.

We have also entered into other agreements such as the SSA, the Land Lease Agreement and the CNS/ATM Agreement with the relevant authorities in relation to the operation of the Airport. The SSA entered into with the State Government provides for certain support services and incentives to us for the development of the Airport, subject to certain parameters.

The Airport was commissioned within a period of 31 months from the commencement of construction and became commercially operational on March 23, 2008 with an initial design capacity of 12 million passengers per year and 150,000 metric tons of cargo handling capacity per year. The Airport has facilities and infrastructure which are in line with ICAO standards and practices to handle large aircraft and international traffic. The Airport's facilities include two runways, one cargo terminal and one passenger terminal with a total of 60 check-in counters and 42 aircraft parking stands, comprising 30 remote stands and 12 aerobridges. The Airport houses a 13,500 kiloliter fuel farm facility that operates on an "open access" fuel policy where any oil marketing company under a contract with an airline can supply fuel using this facility. The Airport has the flexibility to increase capacity to accommodate up to 40 million passengers per year in the south precinct on a more cost-efficient basis due to the modular design of the existing infrastructure based on the revised master plan prepared by Landrum & Brown Worldwide Services with projected total capacity of the Airport at approximately 80 million passengers per year. Such expansion is proposed to be developed in a phased manner in line with the expected growth in passenger traffic. The current phase of our long-term Master Plan, the Phase 1B Expansion and the Phase 1C Expansion (collectively, the "Current Expansion"), entails expansion of the Airport to increase passenger capacity to 34 million passengers per year (which we believe can be further increased to 40 million passengers per year with additional de-bottlenecking measures) from the passenger capacity of 12 million passengers per year as at September 30, 2020. See "—The Master Plan" for further details.

We have also developed a Cargo Village at the Airport, which includes an integrated cargo terminal with domestic, pharmaceutical and international zones within a single terminal. This integrated cargo terminal is spread over an area of 15,000 square meters, containing three aircraft parking bays and a total cargo handling capacity of 150,000 metric tons per year as of September 30, 2020. In addition to these facilities, the Cargo Village also includes a dedicated domestic express terminal operated by Blue Dart and a dedicated cargo satellite building with offices for cargo agents, airlines, regulatory bodies and warehousing space adjacent to the cargo terminal.

Passenger traffic at the Airport has grown substantially from 6.2 million passengers in fiscal year 2009 (when it began commercial operations) to 21.6 million passengers in fiscal year 2020, a CAGR of 12.0%. Cargo

volume has also increased significantly, from 54,245 metric tons in fiscal year 2009 to 143,884 metric tons in fiscal year 2020, a CAGR of approximately 9.3%, higher than India's average of 6.3% during the same period. For the fiscal years 2020, 2019 and 2018, (i) total passenger traffic at the Airport was 21.6 million, 21.4 million and 18.2 million, respectively, (ii) total cargo traffic at the Airport was 143,884 metric tons, 144,126 metric tons and 134,141 metric tons, respectively, and (iii) the Airport handled 183,450, 179,606 and 149,581 air traffic movements, which are all aircraft arrivals and departures to and from the Airport.

Under the Land Lease Agreement, the State Government has leased us 5,492 acres and 26 guntas of land for the development of the Airport in accordance with the Concession Agreement along with the exclusive right to develop (or sub-lease the land for) non-airport activities on the site, of which we have designated 1,500 acres for commercial property development in the Master Plan. The initial term of the lease is 30 years until March 23, 2038 (the 30th anniversary of the Airport Opening Date), with an option to extend the term for an additional 30 years, which we have already exercised. We are in the process of developing the commercial site in a phased manner. Out of the 1,500 acres of land designated for commercial development, we have designated 250 acres for a multi-product special economic zone ("SEZ"), which will include a "Free Trade Warehousing Zone" of 20 acres, and an additional 250 acres for a logistics park. The Airport is currently one of India's few airport-based free trade zones, which provides companies an opportunity to undertake trading, distribution, minor assembly, value additions such as packaging and labelling and warehousing for effective re-export of commodities with facilities for sorting, grading, kitting and repacking. The remaining acres are available for development of a theme-based airport city, which is expected to include, among others, a multi-specialty hospital, convention center and exhibition facility, an amusement park, an international business school and an international school. As at September 30, 2020, we have monetized approximately 194.5 acres of this land. See "—Our Sources of Revenue—Non-aeronautical Services—Commercial Property Development" for further details.

We entered into a concessioning, operationalization and maintenance agreement with the Government of Karnataka on January 30, 2020 to relating to the operationalization of the civilian enclave of Bidar Airport (the "Bidar Airport") which is within the 150 km aerial distance of the Airport. The exclusive right to maintain and operate the civilian enclave is valid until March 22, 2033. We do not expect revenues from this concession to be material. See "—Bidar Airport Concession."

In fiscal year 2020, we had total revenue of Rs. 21,350.2 million (US$289.3 million) and Adjusted EBITDA of Rs. 11,175.8 million (US$151.4 million), an increase of 6.6% and 0.8%, respectively, from total revenue of Rs. 20,021.0 million and Adjusted EBITDA of Rs. 11,089.1 million in fiscal year 2019. For the six months ended September 30, 2020, we had total revenue of Rs. 3,827.3 million (US$51.9 million) and Adjusted EBITDA of Rs. (294.1) million (US$(4.1) million), a decrease of 64.3% and 104.9%, respectively, from total revenue of Rs. 10,712.8 million and Adjusted EBITDA of Rs. 5,995.8 million for the six months ended September 30, 2019.

Our majority shareholder is GMR Airports Limited, a 51% subsidiary of the GMR Group, a leading diversified infrastructure group in India with substantial experience in the development and operation of airports including the Indira Gandhi International Airport in Delhi, power plants, roads and urban infrastructure. The remaining 49% stake in GMR Airports Limited is owned by Groupe ADP, which develops and manages airports, including Paris-Charles de Gaulle, Paris-Orly and Paris-Le Bourget. Our other shareholders include AAI, the State Government and Malaysia Airports Holdings Berhad, a leading international airport operator. See "Principal Shareholders" for more information about our shareholders.

Overview of our Sources of Revenues

We classify our revenue into two primary categories—revenues from contracts with customers and other income (including finance income). Our revenue from contracts with customers is derived from (i) revenue from

aeronautical operations, which comprises user development fees, passenger service fees (facilitation component), landing charges, parking and housing charges and common infrastructure charges, and revenue from cargo operations, including cargo handling services encompassing both physical handling as well as documentation services, fuel farm infrastructure fees, fuel farm throughput fees, ground handling services and revenues from ICT ("Information Communication and Technology") charges, which are regulated by AERA, (ii) revenue from non-aeronautical operations, which comprises revenue earned by us from non-aeronautical operations including, among others, our duty free stores at the Airport, aircraft MRO services, revenue sharing arrangements with our joint venture, Laqshya Hyderabad Airport Media Private Limited, which provides advertising services at the Airport, rent and/or revenue sharing from leasing of terminal space, retail goods and services, food and beverage, car park, car rental services, automated teller machines, lounge rental fees, foreign exchange counters and others), and (iii) revenue from non-airport services comprising of revenues from commercial property development and revenue from hospitality services attributable to our five-star rated Novotel Hyderabad Airport Hotel, which is managed and operated by AAPC India Hotel Management Private Limited (part of the Accor Group). In order to align the classification of major revenue streams as per the tariff set under the 2020 AERA Order, we reclassified the revenue streams accruing to fuel farm, ground handling and cargo handling services under the aeronautical revenue during fiscal year 2020. These revenue streams prior to fiscal year 2020 were classified as non-aeronautical revenue under the audited financial statements. However, for the purpose of comparability across all periods presented in this offering memorandum, we have presented revenues from fuel farm, ground handling and cargo handling services pertaining to fiscal year 2019 and fiscal year 2018 under aeronautical revenues. See "—Components of our income and expenditures—revenue."

Revenue from aeronautical operations was Rs. 12,044.5 million (US$163.2 million), Rs. 11,624.1 million and Rs. 10,060.8 million for fiscal years 2020, 2019 and 2018, respectively, accounting for 59.8%, 62.0% and 63.1% of our revenue from contracts with customers in those periods. Revenue from non-aeronautical operations was Rs. 7,141.2 million (US$96.8 million), Rs. 6,257.0 million and Rs. 5,088.5 million for fiscal years 2020, 2019 and 2018 respectively, accounting for 35.5%, 33.4% and 31.9% of our revenue from contracts with customers in those periods. Revenue from non-airport services was Rs. 939.0 million (US$12.7 million), Rs. 879.4 million and Rs. 785.5 million for fiscal years 2020, 2019 and 2018, respectively, accounting for 4.7%, 4.7% and 4.9% of our revenue from contracts with customers in those periods.

Revenue from aeronautical operations was Rs. 1,079.1 million (US$14.6 million) and Rs. 6,222.1 million for the six months ended September 30, 2020 and 2019, respectively, accounting for 37.0% and 61.4% of our revenue from contracts with customers in those periods. Revenue from non-aeronautical operations was Rs. 1,641.6 million (US$22.2 million) and Rs. 3,402.3 million for the six months ended September 30, 2020 and 2019, respectively, accounting for 56.3% and 33.6% of our revenue from contracts with customers in those periods. Revenue from non-airport services was Rs. 193.6 million (US$2.6 million) and Rs. 511.2 million for the six months ended September 30, 2020 and 2019, respectively, accounting for 6.6% and 5.0% of our revenue from contracts with customers in those periods.

For more information regarding our sources of revenues, see "Business—Our Sources of Revenues."

FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Volatility and Unpredictability of Our Results of Operations Due to Regulation and Implementation of Our Aeronautical Charges

A significant portion of our revenues are earned from aeronautical services. Accordingly, our results of operations, cash flows and financial condition are significantly affected by the aeronautical charges we may charge, which are regulated by AERA and include landing and parking charges, user development fees, passenger service fees and common infrastructure charges. AERA's determinations for our aeronautical charges

are for a "control period" of five years, following which AERA may increase or decrease our aeronautical charges for the subsequent five-year control period. See "Business—Our Concession—Concession Agreement" for further details on the primary components to be used by AERA in setting the aeronautical tariffs at the Airport.

AERA determines the rates we charge for aeronautical services through a consultative process involving us and other stakeholders, such as relevant government agencies, airlines and passenger advocacy groups, and we do not have the ability to unilaterally change or increase the aeronautical service fees we charge to airlines or passengers. AERA's rate determinations are based on, among other things, our submissions of forecasts for our traffic, our operation and maintenance expenses, our capital expenditure and our revenue from non-aeronautical operations on a standalone basis. While AERA's determination of rates for aeronautical services is a consultative process, AERA may not agree with our forecasts and the rates determined by AERA for any control period could be revised downwards. Additionally, we bear the risk for adverse changes in our operation and maintenance expenses, our revenue from non-aeronautical operations and our finance costs. Our tariffs are set using assumed volumes, so failure to achieve those volumes (such as during the COVID-19 pandemic) will lead to losses, and these losses may not be factored into our approved tariffs for subsequent control periods. Additionally, if there are unanticipated increases in our operating costs, or shortfalls in our non-aeronautical operations revenue, AERA may not allow us to make compensatory adjustments in our aeronautical service fees in the next tariff control period. Any adverse change in AERA's determinations of our aeronautical service fees would have a material adverse effect on our results of operations, cash flows and financial condition and our ability to meet our debt servicing requirements.

In addition to the regulation of our aeronautical charges, the principles adopted and the effective dates of AERA's rate determinations have had—and will continue to have—a material impact on our results of operations. For example, the aeronautical charges for the first control period spanning fiscal years 2011 through 2016 were not declared effective by AERA until February 2014, at which time AERA had passed an order (i) determining the tariff structure of GHIAL to be based on a single till methodology with a significant reduction in the target aeronautical revenue, and (ii) further contending that due to over-recovery of user development fees and passenger service fees (facilitation component) by us in the initial three years of the first control period, we were not eligible to recover such fees for the remaining two years in the first control period. We filed a writ petition before the Honorable High Court at Hyderabad challenging the order, following which MoCA issued an order dated June 10, 2015 under section 42(2) of the AERA Act directing AERA to adopt a hybrid till with 30.0% cross subsidization from non-aeronautical revenue for the determination of our tariff in respect of the Airport and, consequently, the DGCA, through an aeronautical information circular (an "AIC") dated November 3, 2015, restored our user development fee and passenger service fee (facilitation component) at the rates existing before April 1, 2014. As a result, our revenue from aeronautical services for fiscal years 2015 and 2016 experienced substantial declines as compared to the prior years of the first control period. The Air Passengers Association of India has challenged the order of MoCA restoring our user development fee and passenger service fee (facilitation component) on the grounds that since we have over-satisfied our investment in the Airport, collection of such fees is illegal. AERA issued a consultation paper dated December 19, 2017 proposing to have consultations with stakeholders in respect of the determination of aeronautical service charges for the second control period, which was stayed by the Honorable High Court of Judicature at Hyderabad. However, to facilitate the implementation of the second control period tariff and the timely implementation of the third control period tariff, we filed a withdrawal petition for the matter before the Honorable High Court of Judicature at Hyderabad, which was granted on February 25, 2020. As a result, the 2020 AERA Order was implemented, resulting in a substantial drop in our revenues and negatively impacting our results of operations for fiscal year 2021 and beyond, should the expected implementation of the third control period tariff be delayed past April 2021. Such variations in our revenue due to the amount and timing of AERA's rate determinations may lead to substantial volatility and unpredictability in our results of operations and could make period-on-period comparisons of our results of operations potentially misleading.

Our earlier expansion plan to expand capacity to 20 million passengers per year, which was filed with our tariff submission to AERA for the second control period in March 2016 based on the traffic growth at that time, was considered by AERA, and AERA's assessment of our capital expenditure plan for 20 million passengers per year was published in a consultation paper issued by AERA in December 2017. However, we have revisited our capital expenditure plan on account of the sustained traffic growth at the Airport and have embarked on capacity expansion at the Airport to handle annual passenger throughput of 34 million together with matching airside and landside infrastructure. Accordingly, we conducted consultations with key stakeholders to obtain their approval for the Current Expansion to accommodate up to 34 million passengers per year (which we believe can be further increased to 40 million passengers per year with additional de-bottlenecking measures) and submitted our revised capital expenditure proposal to AERA as part of the third control period tariff proposal. AERA has appointed RITES for the evaluation of costs for the Current Expansion, which will be the basis for AERA to consider the allowable capital expenditures for our Current Expansion. See "Risk Factors—Risks Related to Our Business—The fees we charge for aeronautical services—which comprise a significant portion of our revenues—are regulated by the Government of India, through AERA, in accordance with the terms of our Concession Agreement. Accordingly, government regulations and the terms of our Concession Agreement have materially affected our historical results of operations, cash flows and financial condition, and will continue to affect our future results of operations, cash flows and financial condition, which could be materially and adversely affected by the to-be-announced rate determinations for our aeronautical services. Further, the 2020 AERA Order pertaining to the second control period resulted in a substantial drop in aeronautical charges and negatively impacted our results of operations."

Our revenue from fuel farm throughput fees had been considered non-aeronautical revenue and therefore not subject to tariff structures set by AERA. However, with effect from January 15, 2020, fuel farm throughput fees have been discontinued pursuant to the direction of AERA. Our revenues from fuel farm accounted for Rs. 1,392.9 million, Rs. 1,442.7 million, Rs. 979.4 million for fiscal years 2020, 2019 and 2018, respectively, and Rs. 136.1 million and Rs. 735.3 million for the six months ended September 30, 2020 and 2019, respectively. As a part of our third control period tariff order application, we are seeking to have the foregone revenue from fuel farm throughput trued-up or recovered through some other form of levy, however, there is no assurance that any such true-up or other compensation will be received, which may have an adverse effect on our cash flows and our ability to service our debt, including the Notes.

Economic Conditions in India and Globally and Seasonality

Aggregate passenger traffic at the Airport and, in turn, our results of operations are linked closely to macroeconomic and political conditions prevailing from time to time in India and globally. As we rely to a significant extent on business and tourist-passenger traffic, domestic and global economic conditions, risks affecting or reducing air travel and adverse political conditions have materially and adversely impacted in the past—and likely could impact in the future—passenger traffic in the Airport and, in turn, our revenues and profitability. The air transportation industry is also cyclical and seasonal in nature. In addition, the Airport typically experiences higher passenger traffic, in particular international passenger traffic, and ATMs in the second half of each fiscal year as travelers visit southern India during school holidays and the festive seasons, and marginally lower passenger traffic and ATMs in the first half of each fiscal year. While passenger traffic at the Airport has increased in the aggregate over the last several years (other than in fiscal year 2013 when, like many airports in the world, it decreased compared to fiscal year 2012) and coincided with the growth of the Indian and global economies, India's GDP recently has contracted as a result of high inflation, political conditions and the demonetization and introduction of the goods and services tax regime. Furthermore, the ongoing COVID-19 outbreak and its impact on travel, aviation and the economy has materially and adversely affected our operations for the six months ended September 30, 2020, and is expected to continue to affect our operations. We believe we will continue to be materially and adversely affected by the COVID-19 pandemic, although the extent of which remains uncertain. See "Recent Developments—COVID-19 Outlook", "Risk

Factors—Risks Related to Our Business—Any outbreaks of contagious diseases such as the recent outbreak of COVID-19 may have a material adverse effect on our business operations, financial condition and results of operations", "Risk Factors—Risks Related to Our Business—We are subject to changes in the Government's policy on direct and indirect taxation" and "Risk Factors—Risks Related to India—A prolonged slowdown in economic growth in India or financial instability in other countries could cause our business to suffer."

Passenger and Aircraft Traffic and Cargo Volumes

Passenger and aircraft traffic volumes at the Airport impact our revenues from aeronautical and non-aeronautical operations. For the six months ended September 30, 2020 and 2019 and fiscal years 2020, 2019 and 2018, total passenger traffic at the Airport was 1.9 million, 10.9 million, 21.6 million, 21.4 million and 18.2 million, respectively and the Airport handled 24,725 ATMs, 89,908 ATMs, 183,450 ATMs, 179,606 ATMs and 149,581 ATMs, which are all aircraft arrivals and departures to and from the Airport. Our aeronautical charges for international flights and passengers generally are higher than those for domestic flights and passengers. A substantial majority of our passenger traffic is domestic passengers and the aggregate number of both domestic and international passengers using the Airport has increased in each of the last three fiscal years. The types of aircraft and flight schedules used by our airline customers also impact our revenue from aeronautical operations as more passengers can be transported on fewer flights if our airline customers use larger planes that carry more passengers per flight, which results in lower aggregate landing charges, as compared to if our airline customers were to transport the same number of passengers on smaller planes that can carry fewer passengers per flight. We seek to increase passenger traffic at the Airport by attracting new airline customers to use the Airport and encouraging existing airline customers to increase the number of routes and flights servicing the Airport. In addition, we believe that our non-aeronautical operations revenues are positively affected by the increasing number of passengers, especially tourist passengers, that travel through the Airport. We believe that tourist passengers tend to arrive at the Airport further in advance of their flights, which contributes to a tendency to spend more money in, among others, duty-free and other retail outlets and food and beverage outlets, in turn increasing our non-aeronautical operations revenues. Accordingly, our management has taken account of these tendencies in progressing plans to develop the Airport by working with our concessionaires, subsidiaries and joint ventures to offer an array of restaurants, shops—including duty-free shops—and other amenities. There are several other factors which could affect the volume, nature and mix of passenger and aircraft traffic in the Airport, almost all of which are beyond our control. The impact of Covid-19 on our operations for fiscal year 2021 has been pronounced with a significant drop in passenger and cargo throughput which has materially and negatively affected the both the aeronautical and non-aeronautical revenue. See "Risk Factors—Risks Related to Our Business—Any outbreaks of contagious diseases such as the recent outbreak of COVID-19 may have a material adverse effect on our business operations, financial condition and results of operations" and "Risk Factors—Risks Related to Our Business—Our revenue is highly dependent on levels of air traffic, which depend in part on factors beyond our control, including economic and political conditions and regulatory environment."

In addition, as passenger traffic at the Airport prior to COVID-19 had exceeded the passenger capacity of the Airport, our ability to increase our revenue beyond the constraints imposed by the current facilities of the Airport would have depended on the successful implementation of the Current Expansion. Although traffic at the Airport was significantly reduced as a result of COVID-19, we believe that passenger traffic at the Airport will recover after the widespread administration of effective vaccines is completed and health care facilities to combat COVID-19 are improved to allay the concerns of air travellers. (According to CRISIL, domestic passenger air traffic in India is expected to rise to up to 290 million in fiscal year 2022, on par with that fiscal year 2017, and still below pre-pandemic levels). CRISIL Research expects passenger traffic to grow at the Airport at a CAGR of 5.0% to 6.0% from fiscal year 2020 to fiscal year 2025 and reach 27.0 to 28.0 million in fiscal year 2025, with domestic traffic expected to outperform international traffic. As we believe that passenger traffic will recover and given that all of the major contracts, which are fixed price and time contracts, have been awarded, we will proceed with the execution of the Current Expansion. We believe completion of the Current Expansion is critical to our increasing our overall capacity and revenue potential for the future.

Implementation of the Current Expansion involves complex construction planning and the incurrence of a significant amount of additional indebtedness. The failure to successfully implement any aspect of the Current Expansion could result in failure to capture additional revenue from increased passenger traffic or loss of revenue from disruption to passenger traffic. Although the Current Expansion was to be completed by March 2022, completion has been delayed by the prolonged lockdown in India caused by the COVID-19 pandemic. The revised target completion date for the Current Expansion is September 2022.

We also earn, to a lesser extent, revenue from cargo operations derived primarily from GMR Air Cargo and Aerospace Engineering Limited (formerly Hyderabad Air Cargo and Logistics Pvt. Ltd.). For the six months ended September 30, 2020 and 2019 and fiscal years 2020, 2019 and 2018 total cargo traffic at the Airport was 45,809 metric tons, 72,806 metric tons, 143,884 metric tons, 144,126 metric tons and 134,141 metric tons, respectively. The majority of cargo traffic through the Airport is international. For the six months ended September 30, 2020 and 2019 and fiscal years 2020, 2019 and 2018, international cargo accounted for approximately 62.3%, 58.0%, 57.3%, 58.3% and 59.0%, respectively, of cargo traffic through the Airport. Cargo traffic is principally affected by the level of international and domestic commercial activity. Due to the ongoing COVID-19 pandemic, air cargo movement was also negatively impacted, although we believe that recovery to pre-COVID-19 levels may be comparatively faster than passenger traffic. In recent years, we have focused on growing our cargo business, including by expanding cargo-handling capacity, with the aim of increasing cargo traffic and related revenues, and, although we believe cargo traffic will continue to increase over the long-term, we may experience period-to-period fluctuations that could affect our non-aeronautical operations revenues related to cargo traffic. Further, we are in the process of onboarding another cargo operator through a competitive bidding process, which may pose direct competition to our existing cargo subsidiary.

The following tables set forth certain statistical data relating to passenger and cargo traffic, ATMs and our revenue for the periods indicated.

	Six months ended September 30,		Year ended March 31,		
	2020	2019	2020	2019	2018
Passenger Traffic (in millions of persons)					
Domestic passengers	1.8	8.8	17.7	17.4	14.5
International passengers	0.1	2.0	3.9	4.0	3.7
Total passengers	**1.9**	**10.9**	**21.6**	**21.4**	**18.2**
Revenue from user development fees and passenger service fees (in millions of Rs.)[1]	159.6	3,692.4	7,095.1	7,102.8	6,293.1
Percentage of total revenue[2]	4.2%	34.5%	33.2%	35.5%	35.9%
Cargo Traffic (in metric tons)					
Domestic cargo	17,278	30,551	61,413	60,172	54,964
International cargo	28,531	42,255	82,471	83,954	79,177
Total cargo	**45,809**	**72,806**	**143,884**	**144,126**	**134,141**
Revenue from cargo operations (in millions of Rs.)	346.4	471.8	912.1	954.2	920.9
Percentage of total revenue[3]	9.1%	4.4%	4.3%	4.8%	5.3%
Air Traffic Movements (ATMs)					
Domestic	22,229	76,931	157,691	153,721	124,786
International	2,496	12,977	25,759	25,885	24,795
Total ATMs	**24,725**	**89,908**	**183,450**	**179,606**	**149,581**

(1) We use user development fees and passenger service fees as a measure of direct revenue from passenger traffic.
(2) Represents percentage of revenue from user development fees and passenger service fees to total revenue.
(3) Represents percentage of revenue from cargo operations to total revenue.

Commercial Property Development

Under the Land Lease Agreement, the State Government has leased us 5,492 acres and 26 guntas of land for the development of the Airport in accordance with the Concession Agreement along with the exclusive right to develop (or sub-lease the land for) non-airport activities on the site, for which we have designated 1,500 acres for commercial property development under the Master Plan. We are in the process of developing the commercial site in a phased manner. Out of the 1,500 acres of land designated for commercial development, we have designated 250 acres for a multi-product special economic zone ("SEZ"), which will include a "Free Trade Warehousing Zone" of 20 acres, and an additional 250 acres for a logistics park. The establishment of the SEZ has been approved of India in accordance with the approval mechanism under the SEZ Act, 2005. The remaining 1,000 acres is available for development of a theme-based airport city, which is expected to include, among others, a multi-specialty hospital, convention center and exhibition facility, an amusement park, an international business school and an international school. As at September 30, 2020, we have monetized approximately 194.5 acres of this land.

We believe that this 1,500 acre site presents a significant real estate development opportunity for us, in particular as our commercial property development business is largely delinked from air travel. The business environment in Hyderabad has also improved significantly over the past few years with gradual economic recovery aided by the industry-friendly policies of the State Government which has brought the likes of Amazon, Apple, Google and Microsoft to set up campuses in Hyderabad. With such ongoing developments in and around Hyderabad, and the State Government's plan to bring in metro connectivity to the Airport, the demand for land in our land bank has gained traction and is expected to contribute significantly to our revenues going forward.

Our subsidiary GMR Hyderabad Aerotropolis Limited has recently formed a joint venture with Singapore-based ESR Hyderabad 1 Pte. Limited ("ESR") to develop a logistics and industrial park at the Airport, in connection with which the joint venture company will lease 66 acres of land from GMR Hyderabad Aerotropolis Limited. ESR and GHAL hold stakes of 70% and 30%, respectively, in the joint venture. We believe the transaction will support our airport-centric logistics and industrial park business by providing state-of-the-art facilities for distribution centers, warehousing and non-polluting industries, such as light assembly.

Concession Fee

Under the Concession Agreement, in consideration for the Government of India granting us the Concession, we agreed to pay the Government of India an annual concession fee throughout the term of the Concession equal to 4.0% of our standalone pre-tax gross revenue, excluding (i) payments made (if any) for services undertaken by the Government of India related to customs, immigration, quarantine, security and meteorological services under the Concession Agreement, (ii) insurance proceeds, (iii) any amount accruing from the sale of any capital assets or items, (iv) payments and or monies received in respect of air navigation and air traffic management services, and (v) payments and/or monies collected for and on behalf of the relevant governmental authorities under applicable law, for each fiscal year. We have agreed with the Government of India to defer payment of the annual concession fee in respect of the first 10 fiscal years after the Airport Opening Date to the 11th fiscal year after the Airport Opening Date, to be paid in 20 equal half-yearly instalments. The annual concession fee in respect of the 11th fiscal year after the Airport Opening Date and each succeeding fiscal year thereafter will be payable annually in arrears. We began making payments of the half-yearly instalments of such deferred fees on June 30, 2018. However, the Government of India has yet to confirm our calculation of the concession fee payable.

We recognize the fair value (discounted) amount of the concession fee payable to the Government of India as an expense in our statement of profit and loss and the deferred obligation as a financial liability on our balance sheet. The closing balance of concession fees payable will include (i) accretion of the interest cost on the opening balance which was carried at fair value and (ii) current year concession fees at fair value (discounted). As at

September 30, 2020, our accrued concession fee payable to the Government of India was Rs. 2,759.6 million (US$37.4 million). In order to preserve liquidity, we made a request to Government of India for an extension of time to pay the concession fee due and payable between June 2020 to December 2020 for a period of two years. The Government of India initially granted an extension for payment until December 31, 2020. However, we have not yet paid the concession fee as we are still in discussions with the Government of India regarding our request for a two year extension. If the concession fee for the period from June 2020 to December 2020 is not extended, we will be required to make a cash payment of Rs. 880.0 million, which will have a material impact on our financial condition and cash flows. See "Business—Our Concession—Concession Agreement" for further details. See "Recent Developments—COVID-19 Outlook" and "Risk Factors—Risks Related to Our Business—Any outbreaks of contagious diseases such as the recent outbreak of COVID-19 may have a material adverse effect on our business operations, financial condition and results of operations" and "Business—Our Concession—Concession Agreement" for further details.

Access to and Cost of Funding

Borrowings are an important source of funding for our development and operation of the Airport. As at September 30, 2020, our Total Indebtedness was Rs. 57,983.9 million (US$785.7 million).

Under the Concession Agreement, we are obligated to develop and implement detailed proposals for the expansion of the Airport, taking into account increased demand, the availability of funding, profitability and the reasonable requirements of the users of the Airport. As of the date of this offering memorandum, our material contracted and budgeted capital expenditures for the next three to five years consist primarily of capital expenditure associated with the Current Expansion. We currently estimate the total capital expenditures required for the Current Expansion to be approximately Rs. 68 billion (US$921.4 million), of which approximately Rs. 30.0 billion has been expended as of September 30, 2020, and the remainder is expected to be made over the next 24 months. We expect to finance such capital expenditures through the proceeds of this offering, cash on hand and cash flows from operations. There can be no assurance that the proceeds of this offering, cash on hand and cash flows from operations will be sufficient for the funding of Current Expansion. See "Risk Factors—Risks Related to Our Business—We may not be able to generate sufficient cash flows to meet our debt service obligations." We also incur, and expect to incur in the future, capital expenditures to develop certain of the properties on the land sub-leased out to our commercial property tenants. We expect that such capital expenditures will be financed through cash on hand, cash flows from operations and the incurrence of additional indebtedness, including through the issuance of additional securities or bank borrowings. Our access to capital, including foreign currency-denominated funds, and cost of financing are further affected by restrictions imposed from time to time by the RBI.

We made our last submission of the Master Plan to MoCA in fiscal year 2018, which included the Airport's developmental need in greater details for the five-year period between fiscal year 2018 and fiscal year 2022 and the broad plans for the period between fiscal year 2019 and fiscal year 2039. In light of the situation at the time, including the growth of low-cost carriers ("LCCs"), higher traffic growth than was previously assumed, changes in flight and passenger demand and other factors, we reviewed the Master Plan and submitted to MoCA a revised Master Plan consisting indicative planning and implementation periods beyond 2022 for subsequent phase of expansion for which we will be required to raise additional indebtedness to fund the capital expenditures thereof. Although traffic at the Airport was significantly reduced as a result of COVID-19, we believe that passenger traffic at the Airport will recover, and are therefore proceeding with the execution of the Current Expansion pursuant to the Master Plan. See "Risk Factors—Risks Related to Our Business—Our substantial leverage could adversely affect our ability to raise additional capital to fund our operations and prevent us from meeting our obligations under our Concession Agreement, particularly our obligations to undertake our development plans at the Airport in accordance with the Master Plan, including the Current Expansion."

COMPONENTS OF OUR INCOME AND EXPENDITURES

Revenue

We classify our revenue into two primary categories—revenues from contracts with customers and other income (including finance income). For the fiscal years ended March 31, 2019 and 2018, finance income was disclosed separately in the audited consolidated financial statements and has been grouped with other income in this offering memorandum to maintain consistency with the disclosures of the fiscal year ended March 31, 2020. Revenue from contracts with customers is further divided into three primary categories: (i) revenues from aeronautical services comprising revenue from aeronautical operations, (ii) revenue from non-aeronautical services, (iii) revenue from non airport services. In order to align the classification of major revenue streams as per the tariff set under the 2020 AERA Order, we reclassified the revenue streams accruing to fuel farm, ground handling and cargo handling services under the aeronautical revenue during fiscal year 2020. These revenue streams prior to fiscal year 2020 were classified as non-aeronautical revenue under the audited financial statements. However, for the purpose of comparability across all periods, in this offering memorandum we have presented revenues from fuel farm, ground handling and cargo handling services pertaining to fiscal year 2019 and fiscal year 2018 under aeronautical revenues as depicted below:

	Year ended March 31, 2019	Year ended March 31, 2018
	(Rs. in millions)	(Rs. in millions)
Revenue from aeronautical operations as per audited financial statements	**9,106.2**	**8,055.4**
Add: Revenue from cargo operations	954.2	920.9
Add: Revenue from fuel farm operations	1,442.7	979.4
Add: Revenue from ground-handling operations	121.0	105.1
Revenue from aeronautical operations as presented in this offering memorandum	**11,624.1**	**10,060.8**

	Year ended March 31, 2019	Year ended March 31, 2018
	(Rs. in millions)	(Rs. in millions)
Revenue from non aeronautical operations as per audited financial statements	**8,774.9**	**7,093.9**
Less: Revenue from cargo operations	(954.2)	(920.9)
Less: Revenue from fuel farm operations	(1,442.7)	(979.4)
Less: Revenue from ground-handling operations	(121.0)	(105.1)
Revenue from non aeronautical operations as presented in this offering memorandum	**6,257.0**	**5,088.5**

The following table sets forth our revenue from contracts with customers and other income (including finance income) as well as the percentage of total revenue they represented for the periods indicated.

	Six months ended September 30,				Year ended March 31,					
	2020		2019		2020		2019		2018	
	(Rs. in millions except percentages)									
Revenue from services										
Aeronautical	1,079.1	28.2%	6,222.1	58.1%	12,044.5	56.4%	11,624.1	58.1%	10,060.8	57.4%
Non-aeronautical	1,641.6	42.9%	3,402.3	31.8%	7,141.2	33.4%	6,257.0	31.3%	5,088.5	29.0%
Revenue from Non Airport Services	193.6	5.1%	511.2	4.8%	939.0	4.4%	879.4	4.4%	785.5	4.5%
Revenues from Contract with customers	**2,914.3**	**76.1%**	**10,135.6**	**94.6%**	**20,124.7**	**94.3%**	**18,760.5**	**93.7%**	**15,934.8**	**90.9%**
Other income (including finance income)	913.0	23.9%	577.2	5.4%	1,225.5	5.7%	1,260.5	6.3%	1,591.9	9.1%
Total revenue	**3,827.3**	**100.0%**	**10,712.8**	**100.0%**	**21,350.2**	**100.0%**	**20,021.0**	**100.0%**	**17,526.7**	**100.0%**

Revenue from Aeronautical Services

Revenue from aeronautical services is primarily derived from the use of the Airport's facilities by aircraft and passengers. We collect revenue from aeronautical operations in the form of domestic and international landing and parking fees, user development fees, passenger service fee (facilitation component), common infrastructure charges, cargo operations, including a full scope of cargo handling services encompassing both physical handling as well as documentation services, fuel farm infrastructure fees, fuel farm throughput fees, ground handling services and revenues from ICT ("Information Communication and Technology") charges. Under the regulatory system applicable to our revenue from aeronautical operations, AERA sets the specific prices, in the form of tariffs for five-year "control periods," that we can charge for each of the aeronautical services we provide.

Although fuel farm, ground handling and cargo handling charges are typically considered aeronautical services and are listed as such in the AERA Act, we believe that our Concession Agreement classifies them as non-aeronautical services. See "—Factors Affecting our Results of Operations—Volatility and Unpredictability of Our Results of Operations Due to Regulation and Implementation of Our Aeronautical Charges" for further details.

Landing charges are assessed on airlines for each flight that lands at the Airport and vary depending on whether the flight is international or domestic and the weight of the aircraft. We charge landing fees on all aircrafts with a maximum certified seat capacity of over 80 seats. Parking and housing charges are also assessed on airlines and are calculated based on the weight of the aircraft and the duration of the aircraft's stay at the Airport. User development fees and passenger service fees are charged to each departing passenger. These fees vary depending on whether the passenger's flight is international or domestic and if the passenger is transferring to another flight. Common infrastructure charges are collected for usage of common infrastructure such as CUTE counters, CUSS terminals, aerobridges, visual docking guidance systems and baggage reconciliation systems on a per passenger basis for international airlines and on a per passenger or per flight basis for domestic airlines at their option. Pursuant to the 2020 AERA Order Tariff Order, which is effective for the second control period, common infrastructure charges have been discontinued and a new charge, ICT charges, has been initiated.

The following table sets forth the amount of revenue from each type of aeronautical operations and the percentage of total revenue from aeronautical operations they represented for the given periods.

	Six months ended September 30,				Year ended March 31,					
	2020		2019		2020		2019		2018	
	(millions of Rs. except percentages)									
Revenue from Aeronautical Services										
Landing & Parking Charges	240.7	22.3%	694.1	11.2%	1,399.1	11.6%	1,369.4	11.8%	1,209.8	12.0%
User Development Fee & Passenger Service Fee	159.6	14.8%	3,692.4	59.3%	7,095.1	58.9%	7,102.8	61.1%	6,293.1	62.6%
ICT charges	51.8	4.8%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Common Infrastructure Charges[1]	2.7	0.3%	318.2	5.1%	619.0	5.1%	634.0	5.5%	552.5	5.5%
Fuel Farm[2][3]	136.1	12.6%	735.3	11.8%	1,392.9	11.6%	1,442.7	12.4%	979.4	9.7%
Ground handling[3]	32.8	3.0%	170.6	2.7%	344.3	2.9%	121.0	1.0%	105.1	1.0%
Cargo revenues[3]	346.4	32.1%	471.8	7.6%	912.1	7.6%	954.2	8.2%	920.9	9.2%
Others	109.0	10.1%	139.7	2.2%	282.0	2.3%	0.0	0.0%	0.0	0.0%
Total Aeronautical	**1,079.1**	**100.0%**	**6,222.1**	**100.0%**	**12,044.5**	**100.0%**	**11,624.1**	**100.0%**	**10,060.8**	**100.0%**

(1) With effect from April 1, 2020, Common Infrastructure charges have been discontinued and ICT charges ($1.25 per departing passenger) has been initiated.

(2) With effect from January 15, 2020, we no longer levy the fuel farm throughput fee.

(3) In order to align the classification of major revenue streams as per the 2020 AERA Order, we reclassified the revenue streams accruing to fuel farm, ground handling and cargo handling services under the aeronautical revenue which prior to fiscal year 2020, were classified under non-aeronautical revenue in our audited consolidated financial statements.

Revenue from Non-aeronautical Operations

Revenue from non-aeronautical operations comprises revenue earned by us from non-aeronautical operations including, among others, duty free and retail operations, revenue sharing arrangements with our joint venture, Laqshya Hyderabad Airport Media Private Limited, which provides advertising services at the Airport, food and beverages, parking, land and space rentals, aircraft MRO services and others including car rental services, automated teller machines, lounge rental fees, foreign exchange counter. None of our non-aeronautical operations is subject to tariff structures set by AERA, although 30.0% of our revenue from non-aeronautical operations on a standalone basis is included among the building blocks used by AERA in determining our aeronautical charges. See "Indian Regulatory Environment—The Airports Economic Regulatory Authority of India Act, 2008" for further details. The charges for our non-aeronautical operations are determined bilaterally between our subsidiaries and/or joint ventures and the third party concessionaires.

The following table sets forth the amount of revenue from each type of non-aeronautical services and the percentage of total revenue from non-aeronautical services they represented for the given periods.

	Six months ended September 30,				Year ended March 31,					
	2020		2019		2020		2019		2018	
	(Rs. in millions, except percentages)									
Revenue from Non-Aeronautical Services										
Duty Free	60.7	3.7%	841.4	24.7%	1,752.6	24.5%	1,581.8	25.3%	1,188.6	23.4%
Retail	27.7	1.7%	229.8	6.8%	522.6	7.3%	401.8	6.4%	320.7	6.3%
Advertisement	41.9	2.6%	185.9	5.5%	381.3	5.3%	361.1	5.8%	404.1	7.9%
Food and beverages	40.7	2.5%	239.9	7.1%	500.8	7.0%	427.8	6.8%	329.6	6.5%
Parking	49.4	3.0%	360	10.6%	811.3	11.4%	581.8	9.3%	495.7	9.7%
Land and space—Rentals	197.6	12.0%	373.6	11.0%	474.2	6.6%	624.9	10.0%	636.0	12.5%
MRO services and others	1,223.6	74.5%	1,171.7	34.4%	2,698.4	37.8%	2,277.8	36.4%	1,713.8	33.7%
Total Non-Aeronautical	**1,641.6**	**100.0%**	**3,402.3**	**100.0%**	**7,141.2**	**100.0%**	**6,257.0**	**100.0%**	**5,088.5**	**100.0%**

For a more detailed description of the components of our revenue from aeronautical operations and non-aeronautical operations, see "Business—Our Sources of Revenue" in this offering memorandum.

Revenue from non-airport services

Revenue from non-airport services comprises revenue from property development of the 1,500 acres of land available for commercial property development, of which we have designated 250 acres for a multi-product SEZ, which will include a "Free Trade Warehousing Zone" of 20 acres, an additional 250 acres for a logistics park, and the remaining acres for development of a theme-based airport city, which is expected to include among others a multi-specialty hospital, convention center and exhibition facility, an amusement park, an international business school and an international school. As at September 30, 2020, we have monetized approximately 194.5 acres of this land, which also includes our recently signed joint venture for the establishment of a 66-acre logistics and industrial park at the Airport.

Revenue from non-airport services also includes revenue from hospitality services which is primarily attributable to our five-star rated Novotel Hyderabad Airport Hotel, managed and operated by AAPC India Hotel Management Private Limited (part of the Accor Group).

The following table sets forth the amount of revenue from each type of non-airport services and the percentage of total revenue from non-airport services they represented for the given periods.

	Six months ended September 30,				Year ended March 31,					
	2020		2019		2020		2019		2018	
	(Rs. in millions, except percentages)									
Revenue from commercial property development	163.8	84.6%	178.7	35.0%	277.2	29.5%	165.0	18.8%	123.0	15.7%
Revenue from hospitality services	29.8	15.4%	332.5	65.0%	661.8	70.5%	714.4	81.2%	662.5	84.3%
Revenue from Non-Airport Services	**193.6**	**100.0%**	**511.2**	**100.0%**	**939**	**100.0%**	**879.4**	**100.0%**	**785.5**	**100.0%**

Other Income (including finance income)

Other income consists primarily of gain on account of foreign exchange fluctuations, amortization of deferred income, income from government grant, exchange difference on restatement of senior secured notes, provisions no longer required and written back, gain on sale of financial assets (mutual funds), gain on fair valuation of financial assets (mutual funds), gain on fair valuation of interest rate swap and other non-operating income such as income from sale of scrap and finance income comprising of interest on financial assets at amortized cost, including bank deposits and commercial paper and loan to joint venture, and interest on interest rate swap arrangement.

Expenses

Our expenses primarily consist of the concession fee payable to the Government of India, purchase of traded goods, increase in traded goods, employee benefit expenses, and other expenses including, among others, operating and maintenance expenses, power and fuel, consumption of stores and spares, repair and maintenance expenses and management fees, finance costs and depreciation and amortization expenses.

The following table sets forth our total expenses as well as the percentage of total expenses represented by each category of total expenses for the periods indicated.

	Six months ended September 30,				Year ended March 31,					
	2020		2019		2020		2019		2018	
	(Rs. in millions except percentages)									
Expenses										
Concession fee	83.3	1.4%	327.8	5.0%	685.0	4.8%	615.3	5.0%	529.5	4.7%
Purchase of traded goods	4.2	0.1%	384.5	5.8%	829.2	5.8%	596.5	4.9%	478.4	4.2%
Changes in inventory of traded goods	21.7	0.4%	(76.2)	-1.2%	(156.3)	-1.1%	18.2	0.1%	(7.1)	-0.1%
Employee benefits expense	1,108.9	18.9%	1,089.5	16.5%	2,255.0	15.9%	1,919.1	15.6%	1,471.2	13.0%
Other expenses	2,106.3	35.8%	2,528.8	38.3%	5,548.8	39.1%	4,830.4	39.3%	3,931.7	34.7%
Finance costs	1,378.8	23.5%	1,306.4	19.8%	2,866.3	20.2%	2,487.5	20.3%	2,581.2	22.8%
Depreciation and amortization expense	1,175.3	20.0%	1,044.9	15.8%	2,164.9	15.3%	1,810.4	14.7%	2,359.3	20.8%
Total expenses	**5,878.5**	**100.0%**	**6,605.7**	**100.0%**	**14,193.0**	**100.0%**	**12,277.4**	**100.0%**	**11,344.2**	**100.0%**

Concession Fee

One of our largest expenses is the concession fee payable to the Government of India in accordance with the Concession Agreement. Under the Concession Agreement, in consideration for the Government of India granting

us the Concession, we agreed to pay the Government of India an annual concession fee throughout the term of the Concession equal to 4.0% of our standalone pre-tax gross revenue, excluding (i) payments made (if any) for services undertaken by the Government of India related to customs, immigration, quarantine, security and meteorological services under the Concession Agreement, (ii) insurance proceeds, (iii) any amount accruing from the sale of any capital assets or items, (iv) payments and or monies received in respect of air navigation and air traffic management services, and (v) payments and/or monies collected for and on behalf of the relevant governmental authorities under applicable law, for each fiscal year. We have agreed with the Government of India to defer payment of the annual concession fee in respect of the first 10 fiscal years after the Airport Opening Date to the 11th fiscal year after the Airport Opening Date, to be paid in 20 equal half-yearly instalments. The annual concession fee in respect of the 11th fiscal year after the Airport Opening Date and each succeeding fiscal year thereafter will be payable annually in arrears. We began making payments of the half-yearly instalments of such deferred fees on June 30, 2018. However, the Government of India has yet to confirm our calculation of the concession fee payable. See "Business—Our Concession—Concession Agreement" for further details. In order to preserve liquidity, we made a request to the Government of India to extend the time for paying the concession fees due and payable between June 2020 to December 2020 for a period of 24 months. See "Recent Developments—Concession Fee Payment."

Our management is of the view that certain income/credits arising from the adoption of Ind-AS and also mark-to-market gain on valuation of the interest rate swap were not in contemplation of parties in December 2004 when the Concession Agreement was executed. Further, such income/credits in our statement of profit and loss do not represent receipts from business operations or from any external sources and therefore, are not treated as gross revenue for calculation of the concession fee payable to the Government of India. Accordingly, we have made provisions for the concession fee payable to the Government of India based on gross revenue under our financial statements prepared under Ind-AS after making adjustments for such income/credits. See "Risk Factors—Risks Related to our Business— Our concession fee payable to the Government of India may be higher as a result of, inter alia, the adoption of Ind-AS. We have not yet paid our concession fee that was due on December 31, 2020 as we are in discussions with the Government of India regarding an extension of time for payment due to COVID-19."

Purchase of Traded Goods

Our purchase of traded goods consists of the cost of traded items purchased by our wholly-owned subsidiary, GMR Hospitality and Retail Limited, that owns our hotel and conducts our duty free operations.

Increase in Traded Goods

Increase in traded goods refers to the difference between the opening and closing inventory amounts of our traded goods of our wholly-owned subsidiary, GMR Hospitality and Retail Limited.

Employee Benefits

Our employee benefits expenses consist primarily of salaries, wages and bonuses and, to a lesser extent, other costs such as welfare and provident fund payments.

Other Expenses

Our other expenses consist of, among others, repairs and maintenance expenses, consumption of stores and spares, operating and maintenance expenses, power and fuel, management fees paid (i) by GMR Hospitality and Retail Limited to AAPC Hotels Management Pte. Ltd. for the management of our Novotel Hyderabad Airport

Hotel pursuant to the terms of the management agreement signed by us with AAPC Hotels Management Pte. Ltd. in November 2006 and (ii) to GMR Airports Limited and GMR Infrastructure Limited for the provision of common corporate services to the business for strategic leadership and governance, business sustenance support and functional and managerial expertise, as well as other administrative expenses such as security expenses, legal and professional expenses, traveling and conveyance expenses, housekeeping charges, advertising and business promotion expenses, communication costs, license fees, rent, office maintenance and other miscellaneous expenses.

Finance Costs

Our finance costs consist of interest on financial liabilities held at amortized cost, other interest, bank charges and other borrowing costs. See "Description of Material Indebtedness" for further details.

Depreciation and Amortization Expenses

Depreciation and amortization expenses relate to the depreciation of property, plant and equipment and amortization of intangible assets. See "Critical Accounting Policies—Depreciation on Property, Plant and Equipment" for further details.

Share of Profit in Joint Venture

Share of profit in joint venture represents our share of profit of our joint venture entity, Laqshya Hyderabad Airport Media Private Limited, which provides advertising services at the Airport.

New Accounting Standard on Accounting for Leases

On March 30, 2019, the Ministry of Corporate Affairs notified Ind-AS 116—Leases ("Ind-AS 116"), the new accounting standard on accounting for leases. Ind-AS 116 is applicable to us for the fiscal year beginning April 1, 2019 and it replaces the existing standard Ind-AS 17—Leases covering accounting for leases. The standard permits two possible methods of transition, which includes an option to restate earlier periods for the adoption of this standard or to reflect the impact of change as an adjustment to the opening balance of retained earnings as at April 1, 2019 in our financial statements for the periods beginning April 1, 2019. On application of this standard, we have adopted a single recognition and measurement approach for all leases using a "right of use" model, resulting in the creation of a liability for the present value of our future lease obligations with a corresponding "right to use" asset. In the statement of profit or loss, we would recognize an amortization of such right to use asset as depreciation expense and interest expense on lease liability is recognized. Accordingly, our financial statements prepared for periods beginning on or after April 1, 2019, including our Unaudited Interim Consolidated Financial Statements, may not be comparable to our financial statements and financial information included in this offering memorandum for prior periods since modified retrospective method was adopted on application of Ind-AS 116 effective April 1, 2019.

RESULTS OF OPERATIONS

Results of Operations—Six Months ended September 30, 2020 and 2019 and Years ended March 31, 2020, 2019 and 2018

The following table sets forth a summary of our results of operations for the six months ended September 30, 2020 and 2019 and years ended March 31, 2020, 2019 and 2018.

Summary Profit and Loss Account	Six Months Ended September 30			Fiscal Year Ended March 31,			
	2020		2019	2020		2019	2018
	(US$ in millions)	(Rs. in millions)		(US$ in millions)	(Rs. in millions)		
Incomes							
Revenue from contracts with customers	39.5	2,914.3	10,135.6	272.7	20,124.7	18,760.5	15,934.8
Other income (including finance income)	12.4	913.0	577.2	16.6	1,225.5	1,260.5	1,591.9
Total income/Revenue	**51.9**	**3,827.3**	**10,712.8**	**289.3**	**21,350.2**	**20,021.0**	**17,526.7**
Expenses							
Concession fee	1.1	83.3	327.8	9.3	685.0	615.3	529.5
Purchase of traded goods	0.1	4.2	384.5	11.2	829.2	596.5	478.4
Changes in inventory of traded goods	0.3	21.7	(76.2)	(2.1)	(156.3)	18.2	(7.1)
Employee benefits expense	15.0	1,108.9	1,089.5	30.6	2,255.0	1,919.1	1,471.2
Finance costs	18.7	1,378.8	1,306.4	38.8	2,866.3	2,487.5	2,581.2
Depreciation and amortization expenses	15.9	1,175.3	1,044.9	29.3	2,164.9	1,810.4	2,359.3
Other expenses	28.5	2,106.3	2,528.8	75.2	5,548.8	4,830.4	3,931.7
Total expenses	**79.7**	**5,878.5**	**6,605.7**	**192.3**	**14,192.9**	**12,277.4**	**11,344.2**
(Loss)/Profit before share of profit in joint venture and tax	**(27.8)**	**(2,051.2)**	**4,107.1**	**97.0**	**7,157.3**	**7,743.6**	**6,182.5**
Share of profit in joint venture	(0.1)	(4.0)	18.8	0.6	45.0	37.6	40.3
(Loss)/Profit before tax	**(27.8)**	**(2,055.2)**	**4,125.9**	**97.6**	**7,202.3**	**7,781.2**	**6,222.8**
Tax expense							
Current tax—Minimum Alternate tax	0.0	0.0	662.4	16.0	1,182.0	1,687.0	1,373.9
Deferred tax							
Deferred tax expense/ (credit)	(0.1)	(8.3)	(150.4)	(1.0)	(74.3)	153.4	56.1
Minimum alternate tax credit entitlement	0.0	3.4	(291.1)	(7.0)	(517.0)	(1,363.1)	(1,011.4)
Total tax expense	**(0.1)**	**(4.9)**	**220.9**	**8.0**	**590.7**	**477.3**	**418.6**
(Loss)/Profit for the year	**(27.8)**	**(2,050.3)**	**3,905.0**	**89.6**	**6,611.6**	**7,303.9**	**5,804.2**
Other comprehensive income							
Items that will not be reclassified to profit or loss							
Re-measurement losses on defined benefit plans	(0.0)	(2.2)	(16.4)	(0.3)	(19.1)	(11.3)	(1.8)
Share of other comprehensive income in joint venture	(0.0)	(0.3)	0.0	0.0	0.2	(0.4)	0.0
Income tax relating to items that will not be reclassified to profit or loss	0.0	0.0	0.5	0.0	1.8	0.8	0.0
Items that will be reclassified to profit or loss							
Cash flow hedge reserve	0.8	59.7	1,400.1	26.4	1,951.2	340.2	147.4
Income tax relating to items that will be reclassified to profit or loss	(1.1)	(82.4)	(180.5)	(8.4)	(617.8)	(170.4)	0.0
Total Other Comprehensive (Loss)/income for the period	**(0.3)**	**(25.2)**	**1,203.7**	**17.8**	**1,316.3**	**158.9**	**145.6**
Total comprehensive (Loss)/income for the period, net of tax	**(28.1)**	**(2,075.5)**	**5,108.7**	**107.4**	**7,927.9**	**7,462.8**	**5,949.8**
Profit attributable to							
Equity holders of the parent	(27.8)	(2,050.3)	3,905.0	89.6	6,611.6	7,240.0	5,656.3
Non-controlling interest	0.0	0.0	0.0	0.0	0.0	63.9	147.9
Other comprehensive income attributable to							
Equity holders of the parent	(0.3)	(25.2)	1,203.7	17.8	1,316.3	159.4	145,8
Non-controlling interest	0.0	0.0	0.0	0.0	0.0	(0.5)	0.2
Total comprehensive income attributable to							
Equity holders of the parent	(28.1)	(2,075.5)	5,108.7	107.4	7,927.9	7,399.4	5,802.1
Non-controlling interest	0.0	0.0	0.0	0.0	0.0	63.4	147.7
Earnings per equity share							
Basic and diluted (in absolute USD/Rs.)	(0.07)	(5.42)	10.33	0.24	17.49	19.15	14.96

Six months ended September 30, 2020 compared to the six months ended September 30, 2019

Total Revenue

Total revenue was Rs. 3,827.3 million for the six months ended September 30, 2020, a 64.3% decrease from Rs. 10,712.8 million for the six months ended September 30, 2019.

Revenue from contracts with customers

Revenue from contracts with customers was Rs. 2,914.3 million for the six months ended September 30, 2020, a 71.2% decrease from Rs. 10,135.6 million for the six months ended September 30, 2019 as a result of decrease in aeronautical and non-aeronautical revenues on account of travel restrictions and reduced demand for travel following the outbreak of the COVID-19 pandemic.

Revenue from aeronautical services was Rs. 1,079.1 million for the six months ended September 30, 2020, an 82.7% decrease from Rs. 6,222.1 million for the six months ended September 30, 2019. This decrease in revenue from aeronautical operations was primarily due to nationwide lockdowns and travel restrictions on account of the COVID-19 pandemic and the resultant 82.9% decline in passenger traffic. This decrease in revenue was also accompanied by reduction in aeronautical tariff from Rs. 425 per passenger to Rs. 209 per passenger with the implementation of the second control period tariff from April 1, 2020 as per the 2020 AERA Order. The fuel farm revenues decreased by 81.5% to Rs. 136.1 million for the six months ended September 30, 2020 from Rs. 735.3 million in the six months ended September 30, 2019 due to decrease in ATMs and the discontinuation of fuel throughput charges of Rs. 670/kl effective from January 15, 2020. Ground handling revenue decreased by 80.8% to Rs. 32.8 million for the six months ended September 30, 2020 from Rs. 170.6 million in the six months ended September 30, 2019 on account of a 72.5% decrease in ATMs following the outbreak of the COVID-19 pandemic. Cargo revenues decreased by 26.6% to Rs. 346.4 million compared to Rs. 471.8 million during the six month period ended September 30, 2019 owing to a 37.1% decrease in cargo tonnage from 72,806 tons during six months ended September 30, 2019 to 45,809 tons for the six months ended September 30, 2020 due to business disruptions caused by the COVID-19 pandemic.

Revenue from non-aeronautical services was Rs. 1,641.6 million for the six months ended September 30, 2020, a 51.8% decrease from Rs. 3,402.3 million for the six months ended September 30, 2019, primarily due to (i) a decrease in duty free revenues by 92.8% to Rs. 60.7 million for the six months ended September 30, 2020 from Rs. 841.4 million in the six months ended September 30, 2019 due to a 94.8% decrease in the international passenger traffic post suspension of international operations with effect from March 24, 2020, (ii) a decrease in car park revenues by 86.3% to Rs. 49.4 million as against Rs. 360.0 million during the six month period ended September 30, 2019, (iii) a decrease in (a) F&B revenues by 83.0% to Rs. 40.7 million as against Rs. 239.9 million during the six month period ended September 30,2019 and (b) a decrease in retail revenues by 87.9% to Rs. 27.7 million as against Rs. 229.8 million during the six month period ended September 30, 2019 owing to the 82.9% decrease in passenger traffic due to the COVID-19 pandemic, (iv) a decrease in land and space rentals from terminal by 47.1% to Rs. 197.6 million as against Rs. 373.6 million during the six month period ended September 30, 2019, primarily due to waivers we granted to certain concessionaries for the months of April and May 2020 due to the lockdown and non-operation of the Airport during such period due to the COVID-19 pandemic, (v) a decrease in advertisement revenues by 77.5% to Rs. 41.9 million compared to Rs. 185.9 million during the six month period ended September 30, 2019 owing to non-utilization of advertisement sites and business disruptions caused by the COVID-19 pandemic, and (vi) an increase of Rs. 51.9 million, or 4.4%, in revenue from Maintenance Repair and Overhaul (MRO) business and other activities for the six months ended September 30, 2020 from the corresponding period in 2019 mainly on account of increase in high value checks being carried out during this period.

Revenue from non-airport services was Rs. 193.6 million for the six months ended September 30, 2020, a 62.1% decrease from Rs. 511.2 million for the six months ended September 30, 2019, primarily due to (i) a decrease in hospitality revenues by 91.0% to Rs. 29.8 million for the six months period ended September 30, 2020 compared to Rs. 332.5 million during the six month period ended September 30, 2019 owing to reduction in occupancy caused by the Covid-19 pandemic and reduction in Average Room Rents (ARR) of the hotel and (ii) a decrease in revenue from commercial property development by 8.3% during the six month period ended September 30, 2020 as compared to the six month period ended September 30, 2019.

Other Income

Other income was Rs. 913.0 million for the six months ended September 30, 2020, an increase of Rs. 335.8 million, or 58.2%, from Rs. 577.2 million for the six months ended September 30, 2019. This is primarily on account of (i) recognition of interest income of Rs. 252.1 million on settlement of the interest claim on delayed payments of Air India Group during the period from April 1, 2008 to March 31, 2019 and (ii) increase in interest income on financial assets. Although Air India has acknowledged the interest due on the delayed payments, they have not yet made any payments on such interest.

Total Expenses

Total expenses were Rs. 5,878.5 million for the six months ended September 30, 2020, a decrease of Rs. 727.2 million, or 11.0%, from Rs. 6,605.7 million for the six months ended September 30, 2019.

Concession fee

Concession fee payable to the Government of India under the Concession Agreement was Rs. 83.3 million for the six months ended September 30, 2020, a 74.6% decrease from Rs. 327.8 million for the six months ended September 30, 2019, as a result of decrease in our standalone pre-tax gross revenue during the period.

Purchase of traded goods

Purchase of traded goods was Rs. 4.2 million for the six months ended September 30, 2020, a decrease of Rs. 380.3 million, or 98.9%, from Rs. 384.5 million for the six months ended September 30, 2019, primarily due to decreased purchases for duty free operations.

Increase/Decrease in inventory of traded goods

Decrease in inventory of traded goods was Rs. 21.7 million in the six months ended September 30, 2020 as compared to an increase of Rs. 76.2 million during the six months ended September 30, 2019. The decrease is a result of decrease in the duty free business during the period and low purchases of traded goods in the period.

Employee benefit expense

Employee benefit expense was Rs. 1,108.9 million for the six months ended September 30, 2020, an increase of Rs. 19.4 million, or 1.8%, from Rs. 1,089.5 million for the six months ended September 30, 2019, as a result of an increase in employee headcount. This is accompanied with annual increments in employee remuneration.

Other expenses

Other expenses were Rs. 2,106.3 million for the six months ended September 30, 2020, a decrease of Rs. 422.5 million or 16.7%, from Rs. 2,528.8 million for the six months ended September 30, 2019. This

decrease was primarily due to (i) a decrease of Rs. 46.6 million in electricity, fuel and water charges and Rs. 82.7 million in operations, maintenance and manpower outsourcing expense on account of suspension of operations during the COVID-19 lockdown in the months of April and May 2020, (ii) a decrease of Rs. 92.7 million in travel and conveyance expenses owing to reduction in employees travel on account of COVID-19 travel restrictions, (iii) a decrease of Rs. 44.6 million in advertisement and business promotion expenses, a decrease of Rs. 107.2 million in legal and consultancy expenses, Rs. 78.0 million decrease in rates & taxes, Rs. 43.0 million decrease in management fee, (iv) a decrease of Rs. 30.9 million in collection charges on account of reduction in aeronautical revenues and (v) a decrease of Rs. 26.8 million in food and beverages consumed on account of reduction in hotel business occupancy due to COVID-19, offset by an increase of Rs. 139.8 million in stores and spares, donations and other miscellaneous COVID-19 expenses.

Finance Costs

Finance costs were Rs. 1,378.8 million for the six months ended September 30, 2020, an increase of Rs. 72.4 million or 5.5%, from Rs. 1,306.4 million for the six months ended September 30, 2019, primarily due to an increase in interest on borrowings and an increase in notional interest expense on security deposits made by various concessionaires.

Depreciation and Amortization Expenses

Depreciation and amortization expenses were Rs. 1,175.3 million for the six months ended September 30, 2020, an increase of Rs. 130.4 million from Rs. 1,044.9 million for the six months ended September 30, 2019, primarily due to capitalization of assets pertaining to the Current Expansion.

Share of Profit in Joint Venture

Share of profit in joint venture was a loss of Rs. 4.0 million for the six months ended September 30, 2020 as compared to a gain of Rs. 18.8 million in the six months ended September 30, 2019 on account of significant reduction in utilization of advertisement sites at the airport post COVID-19 lockdown and reduced spending by the corporates on their advertisement and business development initiatives.

Tax Expenses

We had a tax credit of Rs. 4.9 million for the six months ended September 30, 2020 compared to a tax expense of Rs. 220.9 million for the six months ended September 30, 2019, primarily due to a reduction in revenues and decrease in current tax and minimum alternate tax credit entitlement thereby.

Profit for the Year

As a result of the factors described above, we suffered a loss of Rs. 2,050.3 million for the six months ended September 30, 2020 as compared to a profit of Rs. 3,905.0 million for the six months ended September 30, 2019.

Fiscal year 2020 compared to fiscal year 2019

Total revenue was Rs. 21,350.2 million in fiscal year 2020, a 6.6% increase from Rs. 20,021.0 million in fiscal year 2019.

Revenue from contracts with customers

Revenue from contracts with customers was Rs. 20,124.70 million in fiscal year 2020, a 7.3% increase from Rs. 18,760.5 million in fiscal year 2019, as a result of an increase in services, due to increase in revenue from aeronautical operations, non-aeronautical operations and non-airport services.

In order to align the classification of major revenue streams as per the tariff set under the 2020 AERA Order, we reclassified the revenue streams accruing to fuel farm, ground handling and cargo handling services under the aeronautical revenue during fiscal year 2020. These revenue streams prior to fiscal year 2020 were classified as non-aeronautical revenue under the audited financial statements. For the purpose of comparability across all periods, in this offering memorandum we have presented revenues from fuel farm, ground handling and cargo handling services pertaining to fiscal year 2019 and fiscal year 2018 under aeronautical revenues. See "Management's Discussion and Analysis of Financial Position and Results of Operations—Components of our income and expenditure—revenue.".

Revenue from aeronautical operations was Rs. 12,044.5 million in fiscal year 2020, a 3.6% increase from Rs. 11,624.1 million in fiscal year 2019. This was primarily on account of (i) an increase in ground handling revenues by 184.5% to Rs. 344.3 million in fiscal year 2020 from Rs. 121.0 million in fiscal year 2019 due to award of new ground handling concessions and revision of terms with the existing ground handling agency, and (ii) an increase in revenues from landing and parking, user development fee and passenger service fee linked to traffic increase. This increase in aeronautical revenues was offset by (i) a decrease in fuel farm revenues by Rs. 49.8 million, or 3.5%, to Rs. 1,392.9 million in fiscal year 2020 from Rs. 1,442.7 million in fiscal year 2019 due to discontinuation of fuel throughput charges of Rs. 670/kl effective from January 15, 2020 and (ii) a decrease of cargo revenue by Rs. 42.1 million or 4.4% to Rs. 912.1 million primarily on account of marginal decrease in cargo tonnage in fiscal year 2020.

Revenue from non-aeronautical operations was Rs. 7,141.2 million in fiscal year 2020, a 14.1% increase from Rs. 6,257.0 million in fiscal year 2019, primarily due to (i) an increase in revenue from contracts with customers pertaining to MRO business by Rs. 420.6 million, an 18.5% increase to Rs. 2,698.4 million from Rs. 2,277.8 million in fiscal year 2019 due to an increase number of checks as well as high value checks offset by change in grouping of rental income earned from facility leased to cargo and ground handling agencies as aeronautical which was recognised as non aeronautical for fiscal 2019, (ii) an increase in retail revenues by Rs. 120.8 million, or 30.1%, to Rs. 522.6 million in fiscal year 2020 from Rs. 401.8 million in fiscal year 2019 due to growth in spend per passenger as a result of onboarding of new retail concessionaires and improvement in product offerings, (iii) an increase in duty free revenues by Rs. 170.8 million, a 10.8% to Rs. 1752.6 million in the fiscal year 2020 from Rs. 1,581.8 million in fiscal year 2019 due to an expansion of product range for tobacco, perfume and introduction of premium brands, improvement in visual communication and store decor, enhanced range of destination sovereign category and strategic alliances with airlines, (iv) an increase of Rs. 229.5 million, or 39.4%, in parking revenues in fiscal year 2020 to Rs. 811.30 million from Rs. 581.8 million in fiscal year 2019 on account of entering into contract with app-based cab operators, (vi) a 17.1% increase in F&B revenues to Rs. 500.8 million in fiscal year 2020 compared to Rs. 427.8 million in fiscal year 2019, (vii) an increase in revenue from other non-aeronautical revenue streams comprising primarily of revenue from advertisement, in-flight kitchen, foreign exchange counters, lounge services, etc. in fiscal year 2020 compared to fiscal year 2019.

Revenue from non-airport services was Rs. 939.0 million for the fiscal year 2020, a 6.8% increase from Rs. 879.4 million for the fiscal year 2019, which was primarily due to an increase in rentals from new leases pertaining to Cyient DLM Limited, Safran Electrical & Power India Pvt Ltd, Cold Care Logistics Private Limited and Cold Man Logistics Private Limited, accompanied by annual escalations in existing contracts along with an adjustment of revenue on account of straight-line amortization of lease income as per the application of Ind-AS

116, partially offset by reduction in revenues from hospitality services by Rs. 52.6 million in the fiscal year 2020, a 7.4% decrease from Rs. 714.4 million in fiscal year 2019 due to reduced occupancy on account of COVID-19.

Other Income (including Finance Income)

Other income was Rs. 1,225.5 million in fiscal year 2020, a decrease of Rs. 35.0 million, or 2.8%, from Rs. 1,260.5 million (consisting of Rs. 952.4 million of finance income and Rs. 308.1 million of other income) in fiscal year 2019. This decrease is primarily on account of reduction in gain on sale of financial assets and amortization of deferred income, partially offset by an increase in interest on financial assets and an increase in gain on account of foreign exchange fluctuations. In fiscal year 2020, other income and finance income has been grouped under the heading "Other Income."

Total Expenses

Total expenses were Rs. 14,192.9 million in fiscal year 2020, an increase of Rs. 1,915.5 million, or 15.6%, from Rs. 12,277.4 million in fiscal year 2019.

Concession fee

Concession fee payable to the Government of India under the Concession Agreement was Rs. 685.0 million in fiscal year 2020, a 11.3% increase from Rs. 615.3 million in fiscal year 2019, as a result of an increase in our standalone pre-tax gross revenue in fiscal year 2020.

Purchase of traded goods

Purchase of traded goods was Rs. 829.20 million in fiscal year 2020, an increase of Rs. 232.7 million, or 39%, from Rs. 596.5 million in fiscal year 2019, primarily due to increased purchases for duty free operations on account of growth of duty free sales.

Changes in Inventory of traded goods

Inventory of traded goods of GMR Hospitality and Retail Limited decreased by Rs. 156.3 million in fiscal year 2020 as compared to an increase of Rs. 18.2 million in the fiscal 2019 as a result of sales of inventory attributable to the growth in our duty free business and increase in product offerings.

Employee benefit expense

Employee benefit expense was Rs. 2,255.0 million in fiscal year 2020, an increase of Rs. 335.9 million, or 17.5%, from Rs. 1,919.1 million in fiscal year 2019, as a result of an increase as a result of an increase in employee headcount on account of ongoing expansion works, operationalization of two interim terminals at the airport along with increased operational requirements. This is accompanied with annual increments in employee remuneration

Other expenses

Other expenses were Rs. 5,548.8 million in fiscal year 2020, an increase of Rs. 718.4 million or 14.9%, from Rs. 4,830.4 million in fiscal year 2019. This increase was primarily due to increase in operating and maintenance expenses pertaining to MRO due to increase in MRO business, housekeeping charges on account of operationalization of two interim terminals, consumption of stores and spares, repairs and maintenance expenses, security expenses, rates and taxes, legal charges and travel expenses.

Finance Costs

Finance costs were Rs. 2,866.30 million, an increase of Rs. 378.8 million from Rs. 2,487.5 million in fiscal year 2019, primarily on account of increased interest and hedging cost pertaining to capitalization of apron and ramp expansion capitalized costs in the books from January 1, 2019. The increase also includes increased amortization of processing fee paid to banks.

Depreciation and Amortization Expenses

Depreciation and amortization expenses were Rs. 2,164.90 million in fiscal year 2020, an increase of Rs. 354.5 million from Rs. 1,810.4 million in fiscal year 2019, primarily due to the depreciation of certain assets commencing from January 1, 2019 and recognition of depreciation of right-of-use assets on account of the application of Ind-AS 116.

Share of Profit in Joint Venture

Share of profit in joint venture was Rs. 45.0 million in fiscal year 2020 as compared to Rs. 37.6 million in fiscal year 2019, due to an increase in profit at Laqshya Hyderabad Airport Media Private Limited on account of increase in advertisement revenues from the advertisement sites at the Airport.

Tax Expenses

We incurred a tax expense of Rs. 590.7 million in fiscal year 2020 compared to Rs. 477.3 million in fiscal year 2019, primarily due to a decrease in minimum alternate tax credit entitlement.

Profit for the Year

As a result of the factors described above, we earned a profit of Rs. 6,611.6 million in fiscal year 2020 as compared to Rs. 7,303.9 million in fiscal year 2019.

Fiscal year 2019 compared to fiscal year 2018

Total Revenue

Total revenue was Rs. 20,021.0 million in fiscal year 2019, a 14.2% increase from Rs. 17,526.7 million in fiscal year 2018.

Revenue from contracts with customers

Revenue from contracts with customers was Rs. 18,760.5 million in fiscal year 2019, a 17.7% increase from Rs. 15,934.8 million in fiscal year 2018, as a result of an increase in services, due to increases in revenue from aeronautical operations, non-aeronautical operations, commercial property development and hospitality services.

During the fiscal year 2020, in order to align the classification of major revenue streams as per the second control period Tariff Order dated March 27, 2020, we reclassified the revenue streams accruing to fuel farm, ground handling and cargo handling services under the aeronautical revenue. Hence, for the purpose of comparability across all the period, we have reclassified revenues from fuel farm, ground handling and cargo handling services pertaining to fiscal 2019 and fiscal 2018 under aeronautical revenues which were presented under non-aeronautical revenue in our audited consolidated financial statements for the year ended March 31, 2019 and March 31, 2018 respectively.

Revenue from aeronautical services was Rs. 11,624.1 million in fiscal year 2019, a 15.5% increase from Rs. 10,060.8 million in fiscal year 2018. The increase in our revenue from aeronautical operations was primarily on account of (i) an increase of 47.3% in fuel farm revenues to Rs. 1,442.7 million in fiscal year 2019 from Rs. 979.4 million in fiscal year 2018 due to increased fuel offtake by airlines post reductions in VAT to 1% from 16% by the State Government, as well as ATM growth and (ii) an increase in landing and parking fees by 13.2%, user development fees and passenger service fee (facilitation component) by 12.9% and 14.8% increase in common infrastructure charges, 15.1% increase in ground handling revenues and 3.6% increase in cargo revenues primarily on account of 17.8% increase in passenger traffic, 20.15 increase in Air Traffic Movements (ATMs) and 7.4% increase in cargo tonnage during the period during fiscal 2019.

Revenue from non-aeronautical operations was Rs. 6,257.0 million in fiscal year 2019, a 23.0% increase from Rs. 5,088.5 million in fiscal year 2018, primarily due to (i) an increase of 33.1% in duty free revenues to Rs. 1,581.8 million in the fiscal year 2019 from Rs. 1,188.6 million in fiscal year 2018, due to increased passenger growth and growth in spend per passenger arising from improvement in the selection of tobacco products, the introduction of perfume and premium brands, improvement in visual communication and store decor, an enhanced selection of local product offerings and strategic promotions with airlines, (ii) an increase of Rs. 98.2 million, or 29.8%, in revenue from food and beverages and an increase of Rs. 81.1 million, or 25.3%, in revenue from retail in fiscal year 2019 as a result of an increase in passenger traffic and passenger spend, (iii) an increase of Rs. 86.1 million, or 17.4%, in revenue from parking for fiscal year 2019 as a result of increase in passenger traffic, and (iv) an increase in revenue from MRO services and others by Rs. 564.0 million or 32.9%, primarily from an increase in revenue from our MRO business in fiscal year 2019 as a result of increases in number of checks and new contracts, and increase in miscellaneous revenue from in-flight kitchen, foreign exchange counters, lounge services. This increase is offset by decrease in advertisement revenues by Rs. 43.0 million or a decrease of 10.6% in fiscal year 2019 due to reduced occupancy of advertisement sites at the airport and a decrease in land and space rentals by Rs. 11.1 million or a decrease of 1.7% in fiscal year 2019.

Revenue from non-airport services was Rs. 879.4 million for the fiscal 2019, a 12.0% increase from Rs. 785.5 million for fiscal year 2018. This includes revenue from commercial property development which was Rs. 165.0 million in fiscal year 2019, a 34.1% increase from Rs. 123.0 million in fiscal year 2018, due to an escalation in rentals for existing tenants, additional lease income from a built-to-suit facility and new lease agreements signed with clients. Revenue from hospitality services was Rs. 714.4 million in fiscal year 2019, a 7.8% increase from Rs. 662.5 million in fiscal year 2018, primarily due to an increase in occupancy and average room rates at our hotel.

Other Income (including finance income)

Other income (including finance income) was Rs. 1,260.5 million in fiscal year 2019, a decrease of Rs. 331.4 million, or 20.8%, from Rs. 1,591.9 million in fiscal year 2018, primarily on account of (i) Rs. 437.2 million of revenue booked in fiscal 2018 for the exchange difference on restatement of senior secured notes as a result of hedging of the senior secured notes, (ii) reduction in interest on interest rate swap arrangement on account of pre closure in October 2017 by Rs. 135.3 million in fiscal year 2019 (iii) a reduction in gain on fair valuation of financial assets and a gain on fair valuation of interest swaps of Rs. 106.9 million and Rs. 119.2 million in fiscal year 2019 offset by (iv) increase in gain on sale of financial assets by Rs. 227.8 million from Rs. 208.2 million in fiscal year 2018 to Rs. 436.0 million in fiscal year 2019 (v) increase in amortization of deferred income by Rs. 135.7 million in fiscal year 2019.

Total Expenses

Total expenses were Rs. 12,277.4 million in fiscal year 2019, an increase of Rs. 933.2 million, or 8.2%, from Rs. 11,344.2 million in fiscal year 2018.

Concession fee

Concession fee payable to the Government of India under the Concession Agreement was Rs. 615.3 million in fiscal year 2019, a 16.2% increase from Rs. 529.5 million in fiscal year 2018, resulting primarily from an increase in our standalone pre-tax gross revenue in fiscal year 2019. See "Business—Our Concession—Concession Agreement" for further details of how the concession fee payable to the Government of India is calculated.

Purchase of traded goods

Purchase of traded goods was Rs. 596.5 million in fiscal year 2019, an increase of Rs. 118.1 million, or 24.7%, from Rs. 478.4 million in fiscal year 2018, primarily due to increased purchases for duty free operations on account of growth of duty free sales.

Increase in traded goods

The increase in traded goods of GMR Hospitality and Retail Limited was Rs. 18.2 million in fiscal year 2019 as compared to a decrease of Rs. 7.1 million in fiscal year 2018, primarily as a result of an increase in value and volume of our inventory due to increased purchases attributable to the growth in our duty free business and increase in product selection.

Employee benefit expense

Employee benefit expense was Rs. 1,919.1 million in fiscal year 2019, an increase of Rs. 447.9 million, or 30.4%, from Rs. 1,471.2 million in fiscal year 2018, as a result of an increase in employee headcount from 1,803 as of March 31, 2018 to 2039 as of March 31, 2019 in connection with the expansion of the Airport, increased operations and increases in employee remuneration.

Other expenses

Other expenses were Rs. 4,830.4 million in fiscal year 2019, an increase of Rs. 898.7 million, or 22.9%, from Rs. 3,931.7 million in fiscal year 2018. This increase was primarily due to an increase in operating and maintenance expenses, donations, housekeeping charges, repairs and maintenance expenses, security expenses, travel expenses and management fee, primarily in connection with expansions at the Airport.

Finance Costs

Finance costs were Rs. 2,487.5 million in fiscal year 2019, a decrease of Rs. 93.7 million from finance costs of Rs. 2,581.2 million in fiscal year 2018, primarily due to (i) a decrease of Rs. 690.3 million in interest on debt and borrowings as a result of various refinancing initiatives, including the issuance of the 2027 Notes and the issuance of non-convertible debentures by GAEL, (ii) a decrease of Rs. 134.3 million in other borrowing costs in fiscal year 2019 due to a reduction in bond issuance expenses, partially offset by (x) an increase of Rs. 458.3 million in net interest on cross currency swaps in fiscal year 2019, due to the completion of a currency swap undertaken to hedge the 2027 Notes, and (y) an increase of Rs. 269.2 million in other interest costs in 2019.

Depreciation and Amortization Expenses

Depreciation and amortization expenses were Rs. 1,810.4 million in fiscal year 2019, a decrease of Rs. 548.9 million from Rs. 2,359.3 million in fiscal year 2018, primarily due to expiry of useful lives of certain assets which were not replaced.

Share of Profit in Joint Venture

Share of profit in joint venture was Rs. 37.6 million in fiscal year 2019 as compared to Rs. 40.3 million in fiscal year 2018, due to a decrease in profit at Laqshya Hyderabad Airport Media Private Limited on account of decreased demand for advertising at the Airport.

Tax Expenses

We incurred a tax expense of Rs. 477.3 million in fiscal year 2019, as compared to Rs. 418.6 million in fiscal year 2018, primarily due to (i) an increase of Rs. 313.1 million in current tax—MAT and an increase of Rs. 97.3 million in deferred tax expense, partially offset by an increase of Rs. 351.7 million in MAT credit entitlement.

Profit for the Year

As a result of the factors described above, we earned a profit of Rs. 7,303.9 million in fiscal year 2019 as compared to Rs. 5,804.2 million in fiscal year 2018.

LIQUIDITY AND CAPITAL RESOURCES

Our financial condition and liquidity has been and will continue to be influenced by a variety of factors, including:

- our ability to generate cash flow from our operating activities;
- the level of our outstanding indebtedness and the prevailing domestic and international interest rates, which impact the interest that we are obligated to pay on our indebtedness, which together affect our overall finance costs; and
- our investment and capital expenditure commitments under our Master Plan consisting of several phases of infrastructure development, which will likely require significant additional borrowings in the future.

Our principal cash requirements consist of the following:

- operating and working capital requirements;
- the servicing of our indebtedness; and
- our investment commitments under our Master Plan, as well as additional capital expenditures.

Historically, our operations have been funded through cash flow from operation and the incurrence of indebtedness. See "Description of Material Indebtedness." Under the Concession Agreement, we are required to undertake our development plans at the Airport in accordance with the Master Plan. In particular, we are obligated to design, procure, construct, complete, test, commission and remedy any defects at the Airport in accordance with the Master Plan. We are also obligated to develop and implement detailed proposals for the expansion of the Airport, taking into account increased demand, the availability of funding, profitability and the reasonable requirements of the users of the Airport. As and when we are required to construct additional

infrastructure or other capital projects at the Airport, including pursuant to the Current Expansion, we expect that the required capital expenditures will be financed through the proceeds of this offering, cash on hand and cash flows from operations. See "Risk Factors—Risks Related to Our Business—We may not be able to fund the Current Expansion," "Risk Factors—Risks Related to Our Business—Our substantial leverage could adversely affect our ability to raise additional capital to fund our operations and prevent us from meeting our obligations under our Concession Agreement, particularly our obligations to undertake our development plans at the Airport in accordance with the Master Plan, including the Current Expansion" and "Risk Factors—Risks Related to Our Business—The fees we charge for aeronautical services—which comprise a significant portion of our revenues — are regulated by the Government of India, through AERA, in accordance with the terms of our Concession Agreement. Accordingly, government regulations and the terms of our Concession Agreement have materially affected our historical results of operations, cash flows and financial condition, and will continue to affect our future results of operations, cash flows and financial condition, which could be materially and adversely affected by the to-be-announced rate determinations for our aeronautical services. Further, the 2020 AERA Order pertaining to the second control period, resulted in a substantial drop in aeronautical charges and negatively impacted our results of operations."

As of September 30, 2020 and March 31, 2020, 2019 and 2018, our cash and cash equivalents, bank balances other than cash and cash equivalents (both current and non-current) and current investments (included in financial assets) totaled Rs. 15,271.5 million, Rs. 21,930.1 million, Rs. 9,935.1 million and Rs. 16,125.4 million, respectively.

In fiscal year 2020, 2019 and 2018, GHIAL paid dividends to its shareholders of Rs. 945.0 million, Rs. 1,530.6 million and Rs. 1,587.2 million. GHIAL did not pay any dividends in the six months ended September 30, 2020.

Working Capital

Our current liabilities primarily arise from current maturities of long-term borrowings, short-term borrowings, trade payables and other financial liabilities. We believe that we have adequate working capital for our present requirements, and we expect that if current market conditions prevail, our cash flows from operations, undrawn working capital facilities and available cash on hand will be sufficient to fund our operating needs and debt service obligations through fiscal year 2022. From September 30, 2020 through December 31, 2020, we have incurred additional indebtedness of Rs. 1.5 billion for working capital.

Cash Flows

The following table sets forth a summary of our cash flows for the given periods.

	Six months ended September 30,		Year ended March 31,		
	2020	2019	2020	2019	2018
			(Rs. in millions)		
Cash Flow Statement Data					
Net cash flow from operating activities	(512.2)	3,734.7	8,014.6	9,161.4	9,827.2
Net cash flow used in investing activities	4,041.8	(22,204.1)	(24,009.2)	(6,167.3)	(7,941.6)
Net cash flow used in financing activities	(2,029.2)	18,435.1	15,337.4	(5,028.3)	822.9

Cash Flows from Operating Activities

During the six months ended September 30, 2020, our net cash flows from operating activities were Rs. (512.2) million as compared to Rs. 3,734.7 million for the six months ended September 30, 2019. This was

primarily a result of loss before tax of Rs. (2,055.2) million in the six months ended September 30, 2020 on account of business disruptions caused by the COVID-19 pandemic, compared to a profit before tax of Rs. 4,125.9 million in the six months ended September 30, 2019.

In fiscal year 2020, our net cash flows from operating activities were Rs. 8,014.6 million as compared to Rs. 9,161.4 million in fiscal year 2019. This decrease in the net cash flow from operating activities was due to an increase in other non-current assets caused by an increase in deposits with the statutory authorities, an increase in prepaid expenses and other financial assets.

In fiscal year 2019, our net cash flows from operating activities were Rs. 9,161.4 million as compared to Rs. 9,827.2 million in fiscal year 2018. This was primarily a result of a profit before tax of Rs. 7,781.2 million in fiscal year 2019 compared to a profit before tax of Rs. 6,222.8 million in fiscal year 2018 and increases in other liabilities and decrease in other financial assets.

Cash Flows from Investing Activities

In the six months ended September 30, 2020, our net cash flows used in investing activities were Rs. 4,041.8 million compared to Rs. (22,204.1) million in the six months ended September 30, 2019. For the six months ended September 30, 2020, we (i) purchased property, plant and equipment, including capital work in progress, capital advances and intangible assets of Rs. 5,340.9 million as compared to Rs. 4,539.8 million for the six months ended September 30, 2019, (ii) purchased financial assets comprising mutual funds of Rs. 31,940.9 million as compared to Rs. 66,858.6 million in the six months ended September 30, 2019, (iii) sold financial assets comprising mutual funds of Rs. 37,516.2 million as compared to Rs. 64,546.4 million for the six months ended September 30, 2019, (iv) proceeds from bank deposits and movement in other bank balances of Rs. 2,620.4 million as compared to proceeds from bank deposits of Rs. (15,723.7) million for the six months ended September 30, 2019.

In fiscal year 2020, our net cash flows used in investing activities were Rs. 24,009.2 million compared to Rs. 6,167.3 million in fiscal year 2019. For the fiscal year 2020, we (i) purchased property, plant and equipment, including capital work in progress, capital advances and intangible assets of Rs. 10,924.0 million as compared to Rs. 10,289.5 million for the fiscal year 2019, (ii) purchased financial assets comprising mutual funds of Rs. 116,094.2 million as compared to Rs. 78,894.8 million in the fiscal year 2019, (iii) sold financial assets comprising mutual funds of Rs. 109,053.8 million as compared to Rs. 84,212.1 million for the fiscal year 2019, (iv) movement in bank balance of Rs. 5,658.8 million as compared to investment of Rs. 2,111.2 million in fiscal year 2019, (v) and recovery of inter-company deposits of Rs. 500 million in fiscal year 2020 compared to investment in inter-company deposit of Rs. 500 million in fiscal year 2019.

In fiscal year 2019, our net cash flows used in investing activities were Rs. 6,167.3 million compared to Rs. 7,941.6 million in fiscal year 2018. In fiscal year 2019, we (i) purchased property, plant and equipment, including capital work in progress, capital advances and intangible assets under development of Rs. 10,289.5 million as compared to Rs. 3,397.2 million in fiscal year 2018, (ii) purchased financial assets comprising mutual funds of Rs. 78,894.8 million compared to Rs. 63,959.7 million in fiscal year 2018, and (iii) sold financial assets comprising mutual funds of Rs. 84,212.1 million as compared to Rs. 58,998.3 million in fiscal year 2018.

Cash Flows from Financing Activities

For the six months ended September 30, 2020, our net cash flows used in financing activities were Rs. 2,029.2 million as compared to net cash flows provided by financing activities of Rs. 18,435.1 million for the six months ended September 30, 2019. The decrease in net cash from financing activities was primarily due to the offering of 2024 Notes in April 2019.

In fiscal year 2020, our net cash flows from financing activities were Rs. 15,337.4 million as compared to net cash flows used in financing activities of Rs. 5,028.3 million in fiscal year 2019. The increase in net cash from financing activities during fiscal year 2020 primarily includes Rs. 20671.5 million proceeds from our US$300 million of 2024 Notes issued in April 2019.

In fiscal year 2019, our net cash flows used in financing activities were Rs. 5,028.3 million as compared to net cash flows provided by financing activities of Rs. 822.9 million in fiscal year 2018. The decrease in cash from financing activities was on account of greater net borrowing in fiscal year 2018 as compared to fiscal year 2019 and greater interest payments in fiscal year 2019 as compared to fiscal year 2018. In fiscal year 2018, we completed the offering of the 2027 Notes.

Contractual Obligations

The following table summarizes our contractual obligations as at March 31, 2020.

	Up to 1 year	1 to 5 years	More than 5 years	Total
Borrowings	616.2	31,708.5	27,811.2	60,135.9
Lease Liability	94.1	235.5	7,275.7	7,605.3
Trade and other payables	1,687.4	—	—	1,687.4
Other financial liabilities	7,576.7	1,822.7	945.3	10,344.7
Total	**9,974.4**	**33,766.7**	**36,032.2**	**79,773.3**

Contingent Liabilities

Other than provisions that we have made in connection with certain legal proceedings, we have no contingent liabilities other than as disclosed, (i) under Ind-AS 37 (*Provisions, Contingent Liabilities and Contingent Assets*) with respect to our consolidated financial statements prepared under Ind-AS and included elsewhere in this offering memorandum. See "Business—Legal Proceedings".

Capital Expenditures

Capital expenditures comprises addition to property, plant and equipment/tangible assets and intangible assets. For the six months ended September 30, 2020, we incurred capital expenditure of Rs. 5.3 billion and have planned capital expenditures of approximately Rs. 3.8 billion for the remainder of fiscal year 2021 (of which Rs. 1.8 billion has been spent as of December 31, 2020) and Rs. 16.0 billion for fiscal year 2022.

Under the Concession Agreement, we are obligated to develop and implement detailed proposals for the expansion of the Airport, taking into account increased demand, the availability of funding, profitability and the reasonable requirements of the users of the Airport. As of the date of this offering memorandum, our material contracted and budgeted capital expenditures for the next three to five years consist primarily of capital expenditure associated with the Current Expansion which includes, among others (i) the addition of a modular expansion to the east and west sides which will more than triple the size of the existing terminal, (ii) pier expansion (east and west side), (iii) apron expansion for stands and excess taxi provisions and (iv) modification of the departure forecourt and ramp modification. In addition to the Current Expansion, our capital expenditure would also include associate expenditure on enhancement and upgrade works, major maintenance works as well as routine expenditure undertaken from time to time for general upkeep of the Airport. Our capital expenditure plan also includes our grant of 10% of the project cost of metro connectivity at the Airport which the State Government is proposing to implement over next three years. A 30-kilometer rail corridor connecting the

Hyderabad city to Airport is being constructed by the local Government at an estimated capital outlay of Rs. 50 billion and we are required to pay a one-time grant of 10% of the project cost as the rail corridor shall have an 8-kilometer stretch within the airport campus. We estimate that the total capital expenditures required for the Current Expansion, including the associate capital expenditure including the metro contribution, to be approximately Rs. 68 billion (US$921.4 million), of which approximately Rs. 30.0 billion has been expended as at September 30, 2020, and the remainder is expected to be made over the next 24 months. We expect to finance such capital expenditures through the proceeds of this offering, cash on hand and cash flows from operations. There can be no assurance that we will have sufficient funding for the Current Expansion. See "Risk Factors—Risks Related to Our Business—We may not be able to fund the Current Expansion." We will seek to manage our increased leverage and debt servicing needs by capturing additional revenue through increased passenger traffic, and by preserving our existing cash flow by minimizing disruptions to existing passenger traffic and promptly executing the construction plan for the Current Expansion. See "Business—The Master Plan."

Our earlier expansion plan to expand capacity to 20 million passengers per year, which was filed with our tariff submission to AERA for the second control period in March 2016 based on the traffic growth at that time, was considered by AERA, and AERA's assessment of our capital expenditure plan for 20 million passengers per year was published in a consultation paper issued by AERA in December 2017. However, we had revisited our capital expenditure plan on account of the sustained traffic growth at the Airport and subsequently embarked on capacity expansion at the Airport to handle annual passenger throughput of 34 million together with matching airside and landside infrastructure. Accordingly, we conducted consultations with key stakeholders to obtain their approval for the Current Expansion to accommodate up to 34 million passengers per year (which we believe can be further increased to 40 million passengers per year with additional de-bottlenecking measures) and submitted our revised capital expenditure proposal to AERA as part of the third control period tariff proposal. AERA appointed RITES for cost evaluation which would be the basis for AERA to ascertain the allowable capital expenditure for the Current Expansion. See "Risk Factors— Risks Related to Our Business—The fees we charge for aeronautical services—which comprise a significant portion of our revenues—are regulated by the Government of India, through AERA, in accordance with the terms of our Concession Agreement. Accordingly, government regulations and the terms of our Concession Agreement have materially affected our historical results of operations, cash flows and financial condition, and will continue to affect our future results of operations, cash flows and financial condition, which could be materially and adversely affected by the to-be-announced rate determinations for our aeronautical services. Further, the 2020 AERA Order pertaining to the second control period resulted in a substantial drop in aeronautical charges and negatively impacted our results of operations" and "Risk Factors—Risks Related to Our Business—Our substantial leverage could adversely affect our ability to raise additional capital to fund our operations and prevent us from meeting our obligations under our Concession Agreement, particularly our obligations to undertake our development plans at the Airport in accordance with the Master Plan, including the Current Expansion."

OFF-BALANCE SHEET TRANSACTIONS

As of September 30, 2020, we did not have any off-balance sheet arrangements, which are assets or debts or financing activities that are not reflected on our balance sheet.

QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risk from changes in currency exchange rates. This market risk principally involves the possibility that changes in currency exchange rates will adversely affect the value of our financial assets and liabilities or future cash flows and earnings.

Foreign Currency Exchange Rate Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. Our exposure to the risk of changes in foreign exchange rates relates primarily to our external commercial borrowings and operating activities.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Our exposure to the risk of changes in market interest rates relates primarily to our long-term debt obligations with floating interest rates.

We manage our interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. Our policy is to convert variable rate loan to fixed rate loan if the perceived uncertainty of such variable market rates is for a long term.

SEASONALITY

Our industry tends to be seasonal in nature, and we typically experience increased passenger traffic, in particular international passenger traffic, and ATMs in the second half of each fiscal year as travelers visit southern India during school holidays and the festive seasons, and lower passenger traffic and ATMs in the first half of each fiscal year. Our business, financial condition and results of operations could be adversely affected by seasonal changes in our passenger traffic.

CRITICAL ACCOUNTING POLICIES

We are required to prepare our consolidated financial statements under Ind-AS with effect from April 1, 2016. Accordingly, we have prepared our consolidated financial statements as at and for the six months ended September 30, 2020 and as at and for the years ended March 31, 2020, 2019 and 2018 under Ind-AS.

The preparation of our consolidated financial statements in conformity with Ind-AS requires our management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on our management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

We consider an accounting policy critical if it (i) requires our management to make judgments and estimates about matters that are inherently uncertain and (ii) is important to an understanding of our financial condition and operating results. We believe the following accounting policies are most critical to our business operations and to an understanding of our financial condition, cash flows and results of operations, and reflect the more significant judgments and estimates used in the preparation of our consolidated financial statements.

You should read the following descriptions of critical accounting policies under Ind-AS and estimates in conjunction with our 2020 Audited Consolidated Financial Statements prepared under Ind-AS and the related notes thereto appearing elsewhere in this offering memorandum.

We based our assumptions and estimates on parameters available when the consolidated Ind-AS financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition other than in a common control business combination is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred. Business combination involving entities under common control are accounted using the pooling of interests method.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

i. Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements, are recognized and measured under Ind-AS 12 'Income Tax' and Ind-AS 19 'Employee Benefits,' respectively.

ii. Liabilities or equity instruments related to share based payment arrangements of the acquiree or share-based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured under Ind-AS 102 'Share-based Payments' at the acquisition date.

iii. Assets (or disposal groups) that are classified as held for sale under Ind-AS 105 'Non-current Assets Held for Sale and Discontinued Operations' are measured in accordance with that standard.

iv. Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind-AS 109 'Financial Instruments' is measured at fair value with changes in fair value recognized in profit or loss. If the contingent consideration is not within the scope of Ind-AS 109, it is measured in accordance with the appropriate Ind-AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and

all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

Investment in Jointly Controlled Entities

A jointly controlled entity is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the jointly controlled entity. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

Our investments in our jointly controlled entity are accounted for using the equity method. Under the equity method, the investment in a jointly controlled entity is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in our share of net assets of the jointly controlled entity since the acquisition date. Goodwill relating to the jointly controlled entity is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects our share of the results of operations of the jointly controlled entity. Any change in other comprehensive income of those investees is presented as part of our other comprehensive

income. In addition, when there has been a change recognised directly in the equity of the jointly controlled entity, we recognise our share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between us and the jointly controlled entity are eliminated to the extent of the interest in the jointly controlled entity.

If an entity's share of losses of a jointly controlled entity equals or exceeds its interest in the jointly controlled entity (which includes any long term interest that, in substance, form part of our net investment in jointly controlled entity), the entity discontinues recognising its share of further losses. If the jointly controlled entity subsequently reports profits, the entity resumes recognizing its share of those profits only after its share of the profits equals the share of losses not recognized.

The aggregate of our share of profit or loss of a jointly controlled entity is shown on the face of the statement of profit and loss.

The financial information of the jointly controlled entity is prepared for the same reporting period as us. When necessary, adjustments are made to bring the accounting policies in line with ours.

After application of the equity method, we determine whether it is necessary to recognize an impairment loss on its investment in our jointly controlled entity. At each reporting date, we determine whether there is objective evidence that the investment in the jointly controlled entity is impaired. If there is such evidence, we calculate the amount of impairment as the difference between the recoverable amount of the associate or jointly controlled entity and its carrying value, and then recognize the loss as "share of profit of a jointly controlled entity" in the statement of profit or loss.

Current versus Non-current Classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when:

- it is expected to be realised or intended to be sold or consumed in normal operating cycle;
- it is held primarily for the purpose of trading;
- it is expected to be realised within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting period; or

- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

Property, Plant and Equipment

Freehold land is carried at historical cost less impairment loss, if any. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Capital work in progress includes cost of property, plant and equipment under installation/under development as at the balance sheet date. Property, plant and equipment under installation or under construction as at balance sheet are shown as capital work-in-progress and the related advances are shown as loans and advances.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to us and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. Further, when each major inspection is performed, its cost is recognized in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

We identify and determine cost of each component/part of the asset separately, if the component/part has a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset.

All spare parts, stand-by and servicing equipment qualify as plant, property and equipment if they meet the definition of property, plant and equipment (i.e. if we intend to use these during more than a period of 12 months). The spare parts capitalized in this manner are depreciated as per useful life period, not exceeding a period of five years based on management estimate supported by technical evaluation.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognized.

Depreciation

Depreciation on property, plant and equipment is calculated on a straight-line basis using the rates arrived at, based on useful lives estimated by our management (except in the case of airport assets which are prescribed by AERA), which coincides with the lives prescribed under Schedule II of the Companies Act, 2013. Our management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

On June 12, 2014, AERA issued a consultation paper viz. 05/2014-15 in the matter of Normative Approach to Building Blocks in Economic Regulation of Major Airports wherein it, *inter alia*, mentioned that it proposes to lay down, to the extent required, the depreciation rates for airport assets, taking into account the provisions of the useful life of assets given in Schedule II of the Companies Act, 2013, for such assets that have not been clearly mentioned in the Schedule II of the Companies Act, 2013 or may have a useful life justifiably different than that indicated in the Companies Act, 2013 in the specific context to the airport sector. AERA has initiated the process to enable it to issue a notification as appropriate, pursuant to the provisions of Part B of Schedule II of the Companies Act, 2013 for this purpose. Pursuant to this, AERA has issued order no. 35/2017-18 on January 12, 2018 which is further amended on April 09, 2018, in the matter of Determination of Useful life of Airport Assets, which is effective from April 1, 2018.

Accordingly, our management has adopted useful life in respect of airport assets as prescribed in the aforesaid order with effect from April 1, 2018.

In order to align the useful life of furniture and fixtures, trolleys, boundary wall and cost of resurfacing the runway as per AERA order, we have revised the useful life and charged the depreciation of Rs. 211.1 million related to the assets whose life were expired on March 31, 2018 to opening reserves as at April 1, 2018.

The following useful lives for various categories of property, plant and equipment are adopted by the Group:

Particulars	Useful lives estimated by the management (years)
Improvements to leasehold land	15-30
Buildings on lease hold land	10-30
Building interim terminal	7
Other Buildings	30-60
Runways and taxiways	30
Roads — Other than RCC	10
Electrical installations	10-15
Plant and machinery	15
Office Equipment	5
Computer equipment and IT systems	3-6
Furniture and fixtures (trolleys)	3
Furniture and fixtures (other than trolleys)	7
Vehicles	8-10

Leasehold improvements and buildings on leasehold land are amortized over shorter of estimated useful lives or lease period.

Depreciation on adjustments to the historical cost of the assets on account of foreign exchange fluctuations is provided prospectively over the residual useful life of the asset.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each fiscal year end and adjusted prospectively, if appropriate.

Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Goodwill arising on consolidation is not amortized but tested for impairment.

Service Concession Arrangements

The Cargo Division of GMR Air Cargo and Aerospace Engineering Ltd. (formerly known as GMR Aerospace Engineering Limited) ("GACAEL") constructs or upgrades infrastructure (construction or upgrade services) used to provide a public service and operates and maintains that infrastructure (operation services) for a specified period of time. These arrangements may include infrastructure used in a public-to-private service concession arrangement for its entire useful life.

Under Appendix D to Ind-AS 115 — Service Concession Arrangements, these arrangements are accounted for based on the nature of the consideration. The intangible asset model is used to the extent that Cargo Division of GACAEL receives a right (i.e. a concessionaire) to charge users of the public service. The financial model is used when Cargo Division of GHACLPL has an unconditional contractual right to receive cash or other financial assets from or at the direction of the grantor for the construction service. When the unconditional right to receive cash covers only part of the service, the two models are combined to account separately for each component. If Cargo Division of GACAEL performs more than one service (i.e. construction, upgrade services and operation services) under a single contract or arrangement, consideration received or receivable is allocated by reference to the relative fair values of the service delivered, when the amounts are separately identifiable.

The concession arrangement is a service concession arrangement under Appendix D to Ind-AS 115. Through the concession agreement, GHIAL has granted further concession to Cargo Division of GACAEL along with sub-leasing of the part of cargo infrastructure facility to Cargo Division of GACAEL and since it has a right to charge the users for the services, the same has been classified under Intangible assets model.

The intangible asset is amortized over the shorter of the estimated period of future economic benefits which the intangible assets are expected to generate or the concession period, from the date they are available for use.

An asset carried under concession arrangements is derecognized on disposal or when no future economic benefits are expected from its future use or disposal.

Amortization of Intangible Assets

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each year. Costs relating to software licenses, which are acquired, are capitalized and amortized on a straight-line basis over their useful life not exceeding six years.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is derecognized.

Amortization of Intangible Assets under Service Concession Arrangements

The intangible asset created as per service concession arrangements are amortized over the shorter of the estimated period of future economic benefits which the intangible assets are expected to generate or the concession period, from the date they are available for use which ranges from 3 to 15 years or the concession period (i.e. 15 years).

Impairment of Non-Financial Assets

We assess at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, we estimate the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating units' ("CGUs") fair value less cost to sell and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses are recognized in the statement of profit and loss. An assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, we estimate the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

Inventories

Inventories are valued at lower of cost and net realizable value. Cost is determined on a weighted average basis and includes all applicable costs incurred in bringing goods to their present location and condition. However, stores and spares items held for use in providing the service are not written down below cost if the services are expected to be provided at or above cost.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Leases

On March 30, 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 which notified Ind AS 116—Leases. The amendment rules are effective from reporting periods beginning on or after April 1, 2019. This standard replaces current guidance under Ind AS 17.

The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model.

A. Group as a Lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease. Lessor accounting under Ind AS 116 is substantially unchanged from requirement under Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 did not have an impact for leases where the Group is the lessor, except for recording the lease rent on systematic basis or straight line basis as against Ind AS 17 wherein, there was an exemption for not providing straight lining in case the escalations are in line with the inflation. For the year ended on March 31, 2020, the total income and consequently the profit before tax has increased by Rs. 2.09.

B. Group as a Lessee

Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities

At the commencement of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value (i.e., below Rs. 0.005). Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

C. Transition provision:

Using the modified retrospective method, the Group has adopted and applied Ind AS 116 'Leases' to all lease contracts existing as on April 1, 2019. The Group elected to use the transition practical expedient allowing the standard to be applied to contracts that were previously identified as leases applying Ind AS 17 at the date of initial application. On April 1, 2019, the Group has recognized lease liability measured at the present value of the remaining lease payments and right-of-use (ROU) asset at an amount equal to lease liability. Accordingly, comparatives financial information has not been retrospectively adjusted.

The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases'), and lease contracts for which the underlying asset is of low value ('low-value assets').

See note 2.4 to our audited financial statements for the fiscal year ended March 31, 2020 for more details.

Provisions, Contingent Liabilities and Commitments

Provisions are recognized when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Contingent liability is disclosed in the case of:

- A present obligation arising from past events, when it is not probable that an outflow of resources will not be required to settle the obligation
- A present obligation arising from past events, when it cannot be measured reliably
- A possible obligation arising from past events, unless the probability of outflow of resources is remote

The Group does not recognize a contingent liability but discloses its existence in the financial information.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets. Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

Retirement and other Employee Benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. We have no obligation, other than the contribution payable to the provident fund. We recognize contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Retirement benefit in the form of Superannuation Fund and Employee State Insurance are defined contribution schemes, and the Group recognizes contribution payable to these schemes as an expense, when an employee renders the related service. The Group has no obligation, other than the contribution payable to the funds.

The Group operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined based on actuarial valuation using projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in profit or loss on the earlier of:

- the date of the plan amendment or curtailment; and
- the date that the Group recognises related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- net interest expense or income.

Short Term Employee Benefits

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. We measure the expected cost of such absences as the additional amount that we expect to pay as a result of the unused entitlement that has accumulated at the reporting date.

We treat accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

However, the Group presents the entire provision towards accumulated leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

Financial Instrument

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A. Financial Assets

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date (i.e. the date that we commit to purchase or sell the asset).

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI")' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortized cost
- Debt instruments at fair value through other comprehensive income ("FVTOCI")
- Debt instruments, derivatives and equity instruments at fair value through profit or loss ("FVTPL")
- Equity instruments measured at FVTOCI

Debt instruments at amortized cost

A "debt instrument" is measured at the amortized cost if both the following conditions are met:

(a) the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and

(b) contractual terms of the asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

This category is the most relevant to us. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate ("EIR") method.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI

A "debt instrument" is classified as at the FVTOCI if both of the following criteria are met:

(a) the objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and

(b) the asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, we recognize interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, we may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as "accounting mismatch").

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the balance sheet) when:

(a) the rights to receive cash flows from the asset have expired; or

(b) we have transferred our rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through"

arrangement; and either (i) we have transferred substantially all the risks and rewards of the asset, or (ii) we have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

When we have transferred our rights to receive cash flows from an asset or have entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When we have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, we continue to recognize the transferred asset to the extent of our continuing involvement. In that case, we also recognize an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that we have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that we could be required to repay.

Impairment of financial assets

Under Ind-AS 109, we apply expected credit loss ("ECL") model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

(a) financial assets that are debt instruments, and are measured at amortized cost (e.g. loans, debt securities, deposits, trade receivables and bank balance);

(b) financial assets that are debt instruments and are measured as at FVTOCI;

(c) trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind-AS 11 and Ind-AS 115;

(d) loan commitments which are not measured as at FVTPL; and

(e) financial guarantee contracts which are not measured as at FVTPL.

We follow the "simplified approach" for recognition of impairment loss allowance on trade receivables or contract revenue receivables.

The application of the simplified approach does not require us to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, we determine that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to us in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original EIR. When estimating the cash flows, we are required to consider:

(a) all contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument; and

(b) cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

As a practical expedient, we evaluate individual balances to determine impairment loss allowance on its trade receivables. The evaluation is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit and loss (P&L). This amount is reflected under the head "other expenses" in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

Financial assets measured as at amortized cost and contractual revenue receivables: ECL is presented as an allowance (i.e. as an integral part of the measurement of those assets in the balance sheet). The allowance reduces the net carrying amount. Until the asset meets write-off criteria, we do not reduce impairment allowance from the gross carrying amount.

For assessing credit risk and impairment loss, we combine financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognized by an acquirer in a business combination to which Ind-AS 103 applies are classified as at FVTPL. For all other equity instruments, we may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. We make such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If we decode to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, we may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

B. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Our financial liabilities include trade and other payables, loans and borrowings including cash credit, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by us that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied.

For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk is recognized in OCI. These gains/losses are not subsequently transferred to profit and loss. However, we may transfer the cumulative gain or loss within equity. All other changes in the fair value of such liability are recognized in the statement of profit or loss. We have not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by us are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognized less cumulative amortization.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

C. Reclassification of financial assets

We determine classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. Our senior management determines change in the business model as a result of external or internal changes which are significant to our operations. Such changes are evident to external parties. A change in the business model occurs when we either begin or cease to perform an activity that is significant to its operations. If we reclassify financial assets, it applies the reclassification prospectively from the reclassification date (which is the first day of the immediately next reporting period following the change in business model). We do not restate any previously recognized gains, losses (including impairment gains or losses) or interest."

D. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

E. Derivative financial instruments and hedge accounting

We use derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognized firm commitment;

- cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment; or

- hedges of a net investment in a foreign operation.

Hedges that meet the strict criteria for hedge accounting are accounted for as described below:

Fair value hedges

The change in the fair value of a hedging instrument is recognised in the statement of profit and loss as finance costs. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit and loss as finance costs.

For fair value hedges relating to items carried at amortized cost, any adjustment to carrying value is amortized through profit or loss over the remaining term of the hedge using the EIR method. EIR amortizations may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortized fair value is recognised immediately in profit or loss. When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognized as an asset or liability with a corresponding gain or loss recognised in profit and loss.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income in the cash flow hedge reserve, while any ineffective portion relating to foreign currency portion is recognised immediately in the statement of profit and loss.

We use forward currency contracts as hedges of its exposure to foreign currency risk in recognised liability and firm commitments. The ineffective portion relating to foreign currency contracts is recognized in finance costs.

Amounts recognised as other comprehensive income are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognized or when a forecast transaction occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as other comprehensive income are transferred to the initial carrying amount of the non-financial asset or liability.

When an entity separates the forward element and the spot element of a forward contract and designated as the hedging instrument only the change in the value of the spot element of the forward contract, or when an entity separates the foreign currency basis spread from a financial instrument and excludes it from the designation of that financial instrument as the hedging instrument, such amount is recognised in other comprehensive income and accumulated as a separate component of equity under cost of hedging reserve. These amounts are reclassified to the statement of profit or loss account as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss or when the hedged item is a non-financial asset or non-financial liability, the amounts recognized in cost of hedging reserve are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognized in other comprehensive income remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts, as they are considered an integral part of the Group's cash management.

Cash Dividends to Equity Holders of the Parent

The Group recognizes a liability to make cash distributions to equity holders of the parent when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the Companies Act, 2013, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

Foreign Currency Transactions

Our consolidated financial statements are presented in Indian Rupees, which is also the functional currency of GHIAL. For each entity, we determine the functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by us at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, we use an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items that are measured at fair value in foreign currency are translated using the exchange rates at the dates when the fair value was measured.

Exchange differences arising on settlement or translation of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognized in profit or loss.

Fair Value Measurement

We measure financial instruments such as derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(i) In the principal market for the asset or liability; or

(ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by us.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

We use valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, we determine whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Our management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets, and significant liabilities, such as contingent consideration. Involvement of external valuers is decided upon by the management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Our management decides, after discussions with our external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, our management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per our accounting policies. For this analysis, the Valuation Committee verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

Our management, in conjunction with our external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, we have determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Revenue Recognition

Revenue recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements.

Effective April 1, 2018, the Group has adopted Ind-AS 115 "Revenue from Contracts with Customers".

The specific recognition criteria described below must also be met before revenue is recognized.

1) Income from service

i. Revenue from airport operations (i.e. aeronautical and non-aeronautical operations) are recognized on an accrual basis, net of service tax and applicable discounts, when services are rendered and it is possible that an economic benefit will be received which can be quantified reliably. Revenue from aeronautical operations includes landing and parking charges of aircraft, operation and maintenance of passenger boarding and other allied services. Revenue from non-aeronautical operations include granting rights to use land and space primarily for catering to the needs of passengers, air traffic services and air transport services.

Further, rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in non-aeronautical revenue in the statement of profit or loss due to its operating nature.

ii. In case of cargo handling revenue, revenue from outbound cargo is recognized at the time of acceptance of cargo with respect to non-airline customers and at the time of departure of aircraft with respect to airline customers and revenue from inbound cargo is recognized at the time of arrival of aircraft in case of airline customers and at the point of delivery of cargo in case of non-airline customers.

iii. Income from the concession arrangements earned under the intangible asset model consists of:

(a) fair value of contract revenue, which is deemed to be fair value of consideration transferred to acquire the asset; and

(b) payments actually received from the users.

iv. In case of MRO business, revenue is recognized upon transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Revenue is reduced for estimated customer returns, rebates and other similar allowances, taxes or duties collected on behalf of the Government. An entity shall recognize revenue when the entity satisfies a performance obligation by transferring a promised good or service (that is, an asset) to a customer. An asset is transferred when the customer obtains control of that asset. Revenue relating to fixed price contracts is recognized based on percentage of completion method (POC).

v. Revenue from hotel operations comprises of income by way of hotel room rent, sale of food, beverages and allied services relating to the hotel and is recognized net of taxes and discounts as and when the services are provided and products are sold.

vi. Income from management / technical services is recognized as per the terms of the agreement on the basis of services rendered.

vii. Revenue from commercial property development rights granted to concessionaires is recognized on accrual basis, as per the terms of the agreement entered into with the customers.

viii. Revenue earned in excess of billings has been included under "other assets" as unbilled revenue and billings in excess of revenue has been disclosed under "other liabilities" as unearned revenue.

2) Sale of goods

Revenue from sale of goods is recognized at the time of delivery of goods to customers. Sales are stated net of returns and discounts.

3) Revenues and cost of improvements to concession assets

In conformity with Appendix D of Ind-AS 115, Cargo Division of GACAEL recognizes revenues and the associated costs of improvements to concession assets which it is obligated to perform at the airports as established by the concession agreement. Revenues represent the value of the exchange between Cargo Division of GACAEL and the government with respect to the improvements, given that Cargo Division of GACAEL constructs or provides improvements to the airports as obligated under the concession agreement and in exchange, the government grants Cargo Division of GACAEL the right to obtain benefits for services provided using those assets. Cargo Division of GACAEL has determined that its obligations per the concession agreement should be considered to be a revenue earning activity as all expenditures incurred to fulfill the concession agreement are included in the maximum tariff it charges its customers and therefore it recognizes the revenue and expense in profit and loss when the expenditures are performed.

The cost for such additions and improvements to concession assets is based on actual costs incurred by Cargo Division of GACAEL in the execution of the additions or improvements, considering the requirements in the concession agreement. The amount of revenues for these services is equal to the amount of costs incurred, as Cargo Division of GACAEL do not obtain any profit margin for these construction services. The amounts paid are set at market value.

4) Interest income

i. Interest on all debt instruments measured either at amortized cost or at fair value through other comprehensive income, interest income is recorded using the EIR. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, we estimate the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

ii. Interest for delayed payments from customers is accounted only when it is unconditionally accepted by the customers.

5) Dividend Income

Revenue is recognized when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

Significant Financing Component

Generally, the Group receives short-term advances from its customers. Using the practical expedient in Ind-AS 115, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

The Group also receives long-term advances from customers for providing the license to operate at the Airport. The transaction price for such contracts is discounted, using the rate that would be reflected in a separate financing transaction between the Group and its customers at contract inception, to take into consideration the significant financing component.

Government Grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. Such grants related to income are deducted in reporting the related expense. When the grant is in the nature of capital subsidy it is treated as capital reserve.

GHIAL has concession fee payable to MoCA in respect of first 10 years in 20 equal half yearly installments commencing from the 11th anniversary of the commercial operations date (March 23, 2008). The effect of this assistance is treated as a government grant. The assistance is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the assistance and the fair value. The grant is subsequently measured as per the accounting policy applicable to financial liabilities.

Taxes

A. Current income tax

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current and deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

B. Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

i. When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

ii. In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

i. When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

ii. In respect of deductible temporary differences associated with investments in subsidiaries and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

GHIAL and Cargo Division of GACAEL are entitled to claim tax holiday for any 10 consecutive years out of 15 years, from the year of commencement of commercial operations in 2007-08, under Section 80-IA of the Income Tax Act, 1961, with regard to income from airport operations. Accordingly, deferred tax on items reversing within the tax holiday period is not considered.

GHASL and MRO Division of GACAEL are entitled to claim tax holiday for any 10 consecutive years out of 15 years, from the year of commencement of commercial operations in 2011-12, under Section 80IAB of the Income Tax Act, 1961, with regard to income from SEZ operations. Accordingly, deferred tax on items reversing within the tax holiday period is not considered.

MRO Division of GACAEL is entitled to claim tax holiday of 100% in the first five years then 50% in the next five years and then not exceeding 50% for the next five years on fulfillment of certain conditions, from the year of commencement of commercial operations in 2011-12, under Section 10AA of the Income Tax Act, 1961, with regard to income from SEZ operations. Accordingly, deferred tax on items reversing within the tax holiday period is not considered.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The Group recognizes a deferred tax asset for MAT credit available only to the extent that it is probable that the Group will pay normal income tax during the specified period (i.e., the period for which MAT credit is allowed to be carried forward). In the year in which the Group recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown a deferred tax asset. The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is probable that it will pay normal tax during the specified period.

C. Sales/Value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognized net of the amount of sales/ value added taxes paid, except:

i. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

ii. When receivables and payables are stated with the amount of tax included.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares, if any.

Corporate Social Responsibility ("CSR") Expenditure

The Group has charged its CSR expenditure during the nine months period to the statement of profit and loss.

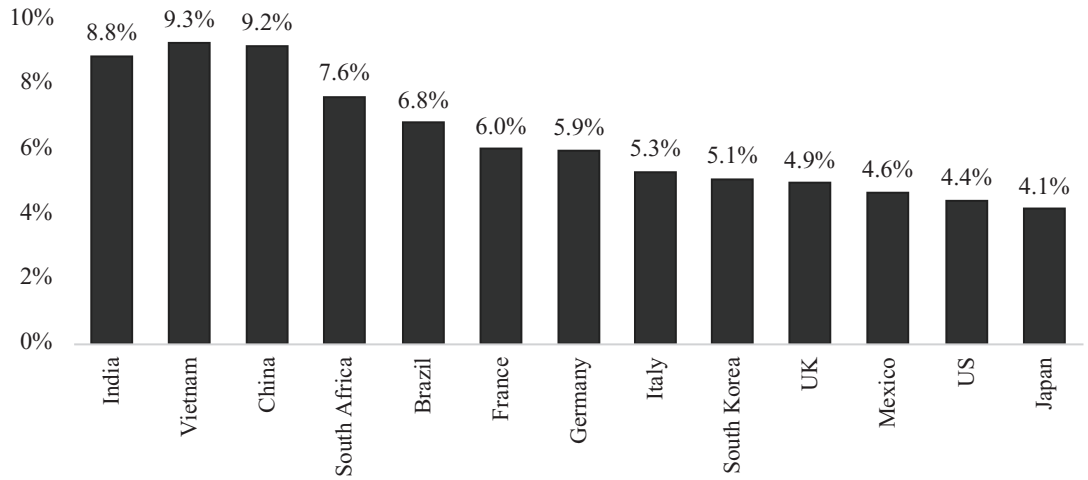
INDUSTRY

This section contains information concerning the aviation industry in India, including industry data and forecasts that we have obtained from industry publications and surveys, reports of governmental agencies, publicly available corporate information and internal company surveys, as well as from industry reports prepared by CRISIL Research. No representation or warranty, express or implied, is made by the Company or, the Initial Purchasers as to the accuracy or completeness of the information set forth in this section, and nothing contained in this section shall be relied upon as a promise or representation, whether as to the past or future. This information has not been independently verified by of the Company or the Initial Purchasers or any of the advisors of the foregoing and should not be unduly relied on.

India Macroeconomic Overview

India is expected to be the sixth-largest economy in the world by real GDP and the third-largest by purchasing power parity in calendar year 2020, according to the International Monetary Fund (IMF). India's real GDP grew at an average rate of 4.3% per annum over fiscals 2015-20, led by private consumption and investment. The IMF expects India's real GDP to grow at a CAGR of 8.8% over fiscals 2020-25, on a low base in fiscal 2020 due to the COVID-19 impact. The below chart depicts expected real GDP CAGRs of select countries for fiscals 2020-25.

Real GDP CAGR (fiscals 2020-25P) of key economies

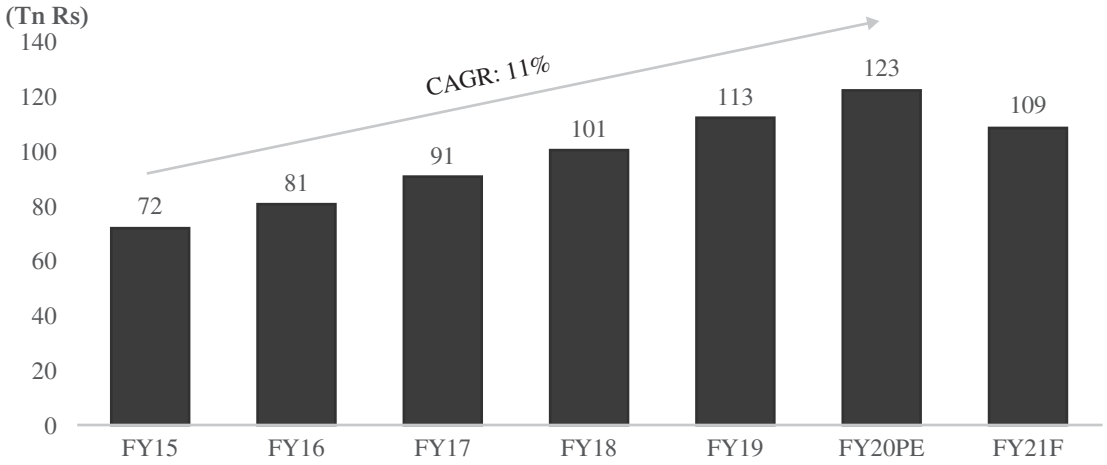


Source: International Monetary Fund

Note: GDP in USD

Private final consumption expenditure (PFCE) is a crude indicator of the prosperity of a country. India's PFCE increased at a CAGR of 11% over fiscals 2015-20. The Reserve Bank of India (RBI) estimates PFCE at current prices at Rs. 109.1 lakh crore in fiscal 2021 vs. Rs. 122.6 lakh crore in fiscal 2020.

Private final consumption expenditure

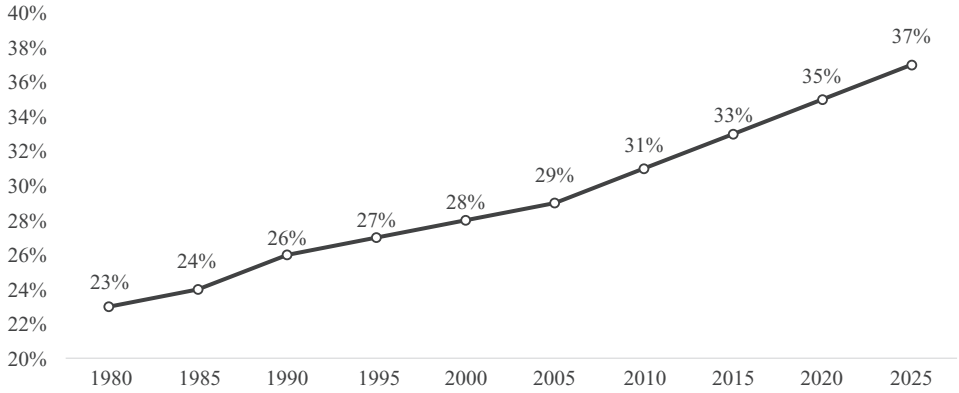


Note: FY17-19 is a revised estimate; FY20 is a provisional estimate; and FY21 forecast is by the RBI

Source: Ministry of Statistic and Programme Implementation (MoSPI) and Reserve Bank of India (RBI)

The share of India's urban population in total population has been rising consistently over the years (~31% in 2010). As per the United Nations report 'World Urbanization Prospects: The 2018 Revision', nearly 37% of the country's population is expected to live in urban areas by 2025.

Urban population as a percentage of total population



Source: CRISIL Research

Indian Aviation Industry Overview

The Indian aviation industry has seen significant growth over the last decade. There are 486 airports and airstrips in India, of which 129 are managed by the Airport Authority of India ("AAI") (not including concession airports such as the Airport). According to CRISIL Research, passenger traffic grew to 341 million and cargo traffic to 3.33 million metric tons in fiscal year 2020, registering 12% and 6% CAGR, respectively, for the period ranging from fiscal years 2015 to 2020.

Future Growth Potential

Over the next few years, improving economic growth in India along with favorable demographic factors such as an expanding middle class resulting in higher disposable incomes are expected to result in higher

spending on travel as well as increased trade activity and freight traffic. Additionally, revival in the global economy is also likely to lead to greater traffic flow between India and the rest of the world. Other expected growth drivers for passenger and freight traffic include:

- Upgrading of smaller airports and commissioning of green field airports, which will improve air connectivity and provide a boost to domestic traffic growth

- Development of Indian airports as transit hubs to serve traffic between Europe and the Middle East, and East and Southeast Asia

- The Government of India's focus on increasing exports and manufacturing as a share of GDP

- Upgraded cargo-handling infrastructure at major airports and the increased focus of Indian airlines on cargo operations

The Indian aviation industry is also expected to benefit from government policies and initiatives. The Government of India announced the Aviation Policy 2016 with the aim of making flying affordable and convenient for the masses along with establishing an integrated eco-system that will lead to significant growth of the sector in the longer term. The policy covers all key aviation subsectors including airlines, airports, cargo, maintenance, repairs and overhaul services, general aviation, aerospace manufacturing and skill development and emphasized the need to enhance regional connectivity by providing fiscal support, infrastructure development and enhancing the ease of doing business through deregulation, simplified procedures and e-governance. The key objectives of the Aviation Policy 2016 include:

- making India among the global top three nations in terms of domestic and international passenger traffic;

- increasing domestic ticketing to 300 million (by number of passengers) by 2022 and 500 million (by number of passengers) by 2027;

- increasing international ticketing to 200 million (by number of passengers) by 2027;

- increasing cargo volumes to 10 million tonnes by 2027;

- open sky policy on a reciprocal basis with South Asian Association for Regional Co-operation (SAARC) countries and countries with territory located entirely beyond a radius of 5,000km from New Delhi; and

- removing the minimum five years domestic operations requirement for flying on international routes. However, airlines will still have to utilize at least 20 aircrafts or 20% of their total capacity on domestic routes.

According to the Aviation Policy 2016, tariffs at all airports will be calculated on a 'hybrid till' basis by using 30% of non-aeronautical revenue to cross subsidize aeronautical charges to ensure uniformity and level playing field across all airport operators.

The Government of India also announced a regional connectivity scheme ("RCS"), which is also called as UDAN ("Ude Desh Ka Aam Naagarik") in 2016 aimed at improving civil aviation regional connectivity across the country. The RCS will focus on reviving unserved/underserved airports across the country and on incentivizing airline operators to operate in regional routes through concessions to reduce operating costs and

other forms of financial support. A total of 53 airports have been made operational in un-served and under-served areas under UDAN. According to the Airport Authority of India, under UDAN-I, 128 routes were awarded of which 56 routes are operational as of September 16, 2020. Under UDAN-II, 312 routes were awarded, of which close to 118 were operational as of September 16, 2020. Under UDAN-II, 235 routes were awarded, of which 107 are operational as of September 16, 2020.

With the opening of the airport sector to private participation, seven airports across non-metro cities have been awarded to a private player and are being developed under public-private partnership ("PPP") model. This is the second big round of privatizing airports after Delhi and Mumbai were handed out to private players. Currently, 53% of the airport traffic is handled under PPP model, while the remaining 47% is managed by the Airport Authority of India.

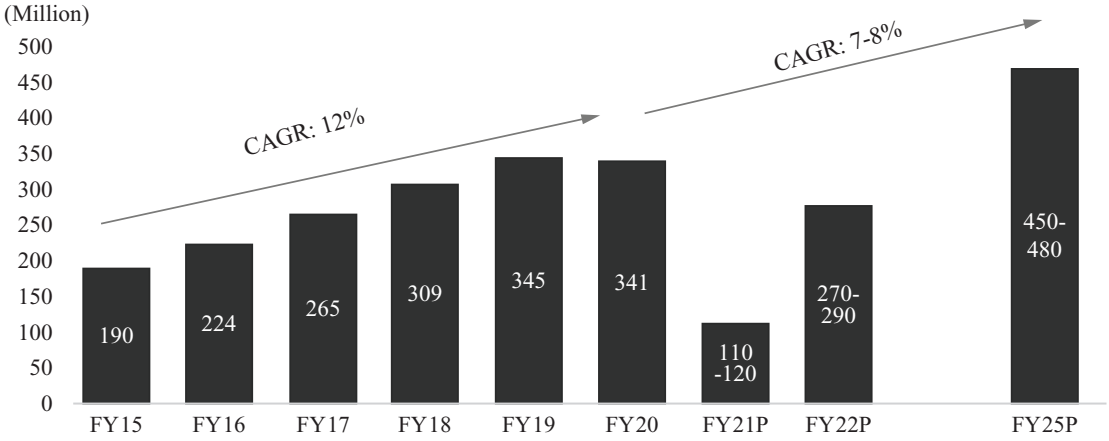
With the major upcoming greenfield airports (Navi Mumbai, Goa, and Bhogapuram) and brownfield investments in Delhi, Bengaluru, Hyderabad and Chennai airports, airport investments are expected to pick up significantly.

These factors are expected to result in continued high growth for the Indian aviation industry.

Indian Air Traffic Outlook

Indian passenger air traffic grew at 12% CAGR between fiscals 2015 and 2020, attributable to i) the country's economic growth, ii) rising disposable incomes, iii) growing options of low-cost air travel, and iv) increased air connectivity to tier-2 and tier-3 cities. According to CRISIL Research expects passenger air traffic to drop 65-70% on-year in fiscal 2021 due to i) a washout of the seasonally strong first quarter because of suspension of scheduled air services in April and May amid the COVID-19 pandemic, ii) passengers' reluctance to fly until a vaccine for COVID-19 is available, iii) reduced spending power, and iv) suspension of scheduled international services until, at least, the end of the current fiscal (services limited to Vande Bharat Mission and air bubble flights). The domestic passenger air traffic is expected to rise 1.4-1.5x in fiscal 2022 to 270-290 million (fiscal 2017 levels), still below pre-pandemic levels. Passenger air traffic is projected to grow at 7-8% CAGR between fiscals 2020 and 2025, with domestic traffic expected to outperform international traffic. A rebound in economic growth, improved air connectivity to tier-2 and tier-3 cities, and international expansion of Indian low-cost carriers will drive passenger air traffic growth.

Total Passengers Handled (millions) at Indian Airports, fiscal years 2015-2025



Break-up of overall passenger traffic handled at Indian airports

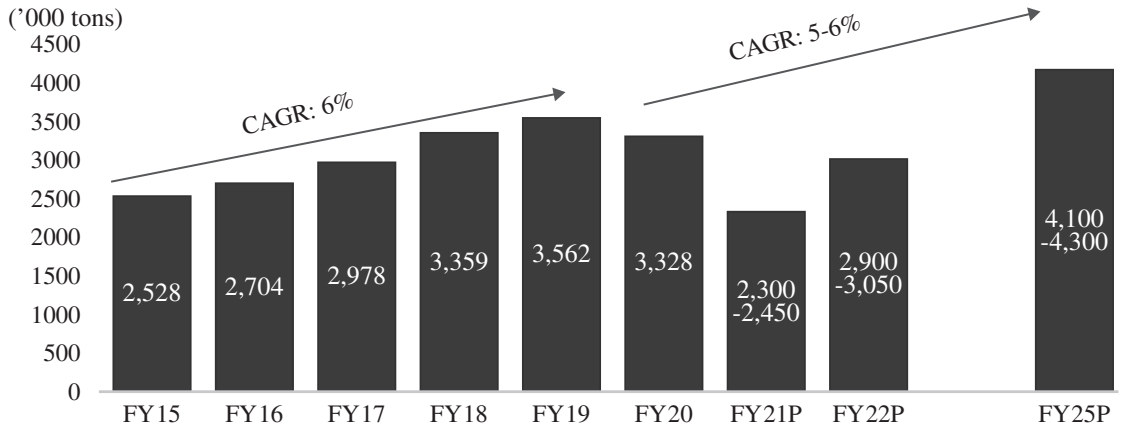
	FY15	FY16	FY17	FY18	FY19	FY20	FY21P	FY22P	FY25P
Domestic	73%	76%	78%	79%	80%	80%	92%	88%	83%
International	27%	24%	22%	21%	20%	20%	8%	12%	17%

Source: CRISIL Research

Indian freight air traffic grew at 6% CAGR between fiscals 2015 and 2020. Freight tariff is expected to degrow 25-30% to 2.3-2.45 million tons similar to fiscal 2014 levels. The drop is primarily due to i) COVID-19 enforced suspension of scheduled domestic air services for 2 months between 25th March 2020 and 24th May 2020. ii) Suspension of scheduled international air services 23rd March 2020 onwards iii) Contraction in GDP of 9% projected in fiscal 2021 impacting goods transfer iv) Curtailed Domestic and International network expected to be operated by airlines post resumption due to the lack in demand in the market. However, the cargo market has seen buoyancy with airlines deploying cargo-only flights and charters for meeting the increased demand as well as replacing the belly capacity on scheduled flights.

Over the next five years, freight traffic growth is projected to grow at 5% CAGR between fiscals 2020 and 2025 driven by recovery of the domestic and global economy, and shipment of COVID-19 vaccine. Meanwhile, operationalization of the dedicated freight corridor would act as a headwind to domestic freight air traffic. Key sectors expected to drive growth in freight air traffic are e-commerce, pharmaceuticals, auto components, and electrical and electronic goods.

Total Freight Traffic ('000 Metric Tons) at Indian Airports, Fiscal Years 2015-2025



Break-up of overall freight traffic handled at Indian airports

	FY14	FY15	FY16	FY17	FY18	FY19	FY20E	FY21P	FY25P
Domestic	39%	39%	38%	36%	38%	40%	36%	39%	39%
International	61%	61%	62%	64%	62%	60%	64%	61%	61%

Source: CRISIL Research

Hyderabad Overview

Hyderabad is India's fourth most populous city with a population of approximately 6.8 million people, according to the 2011 census. Being a current joint capital of the states Telangana and Andhra Pradesh (while the

new capital of Andhra Pradesh is under construction) as well as aided by National Highway connectivity, Hyderabad is considered to be the gateway for southern and central India. It is a major economic center being one of the key informational technology hubs of India as well as one of the biggest pharmaceutical and biotechnology hubs of the country.

The city's economy growth has been led by the services and manufacturing sectors, primarily the information technology, e-commerce, biotechnology and pharmaceuticals industries. Hyderabad has emerged as one of the preferred cities for information technology operations and is home to large offices and research and development centers of many global information technology, information technology enabled services and business process outsourcing firms. The city is also a leading bulk drug producer and exporter. Key growth drivers of Hyderabad's economy are knowledge-based industries, such as biotechnology, pharmaceuticals and IT and ITeS. Initiatives by the state government to set up a Genome Valley and Nano Technology Park have helped to create extensive infrastructure for the biotechnology sector. Also, Tourism Policy aims to turn the state into a leading tourism destination in India. Telangana is among the top 10 destination states for tourism, and contributes to around 5% of annual domestic tourist visits in India. Domestic tourist visits to the state have grown at 10% CAGR between fiscal 2015 and 2020 and Hyderabad acts as a major hub for tourist arrival.

The city benefits from the availability of world-class road and airport infrastructure. In addition, Hyderabad is also seeing the development of a mass rapid transit system – the Hyderabad metro, for better intra-city connectivity. Phase I of the metro project which includes three lines and covers a distance of 69.2 kilometers is operational (since February 2020). Phase II covering 58 km is currently in the proposal stage and entails airport connectivity. Other major infrastructure projects that are proposed to be developed include dedicated manufacturing clusters for electronics companies, an integrated pharmaceutical city, an information technology investment region, industrial corridors connecting other key cities. These projects will continue to spur economic growth in the region and enable further investment and labor migration to the city.

GMR Hyderabad International Airport Limited

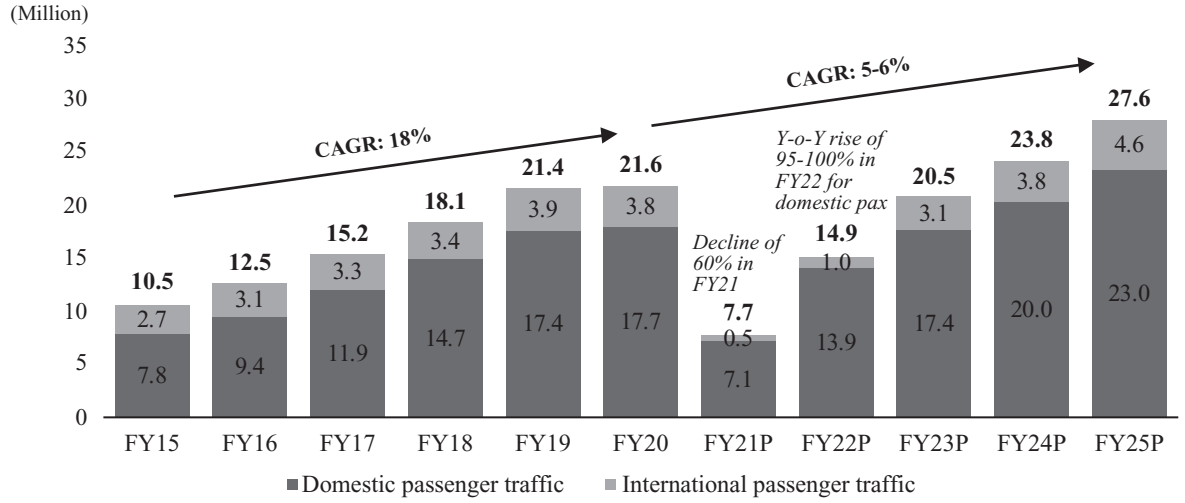
Hyderabad is fastest growing airport among the top 6 metro cities airport of India. Domestic traffic at Hyderabad grew at 18% CAGR between fiscal 2015 and 2020, while Pan-India domestic air traffic grew at 12% during the same period. Domestic passenger traffic contributes to 82-84% of total passenger traffic. The Airport is located in Shamshabad and provides connectivity to south and central India via Hyderabad metro city. The Airport is strategically located close to the geographical center of India, and with the majority of India located within a flight time of two hours and the majority of Asia and the Middle East located within a flight time of five hours.

The Airport handled total traffic of approximately 21.6 million passengers and approximately 143,844 metric tons of cargo in fiscal year 2020 and has an ultimate design and scaling capacity to handle 50 million passengers per year and 500,000 metric tons of cargo per year. The Airport now serves 32 passenger airlines (21 foreign carriers and 11 domestic carriers). The Airport has had a dedicated and temperature controlled storage and handling facility for export of pharmaceuticals since 2011. The Airport caters to cargo across sectors but has major share of pharma, vaccines, engineering goods, IT and telecom, fruits and vegetables and marine products.

Passenger traffic at Hyderabad is driven by metro cities such as Delhi, Mumbai, Bengaluru, Chennai and Kolkata contributing to 52-50% of both arrivals and departures at the airport. Passenger traffic consists of vacation visits or tourists, friends and family, business trips, migrant workforce travel, medical tourist and other. CRISIL Research expects passenger traffic at the airport to grow at a CAGR of 5.0%-6.0% from fiscal year 2020 to fiscal year 2025 and reach 27.0 to 28.0 million passengers, with international traffic and domestic traffic growing at CAGRs of 3.5-4.0% and 5.0-6.0%, respectively. The passenger air traffic is expected to see a decline of nearly 60% in fiscal 2021 on account of restriction on travel and decline in demand due to COVID-19

pandemic. Air passenger demand in fiscal 2021 will rise as travel begins to resume and hence passenger traffic at Hyderabad airport is expected to see a rise by 95-100% in fiscal 2021. Over the next three years, passenger traffic is expected to see strong growth of 20-22% CAGR between fiscals 2023 and 2025.

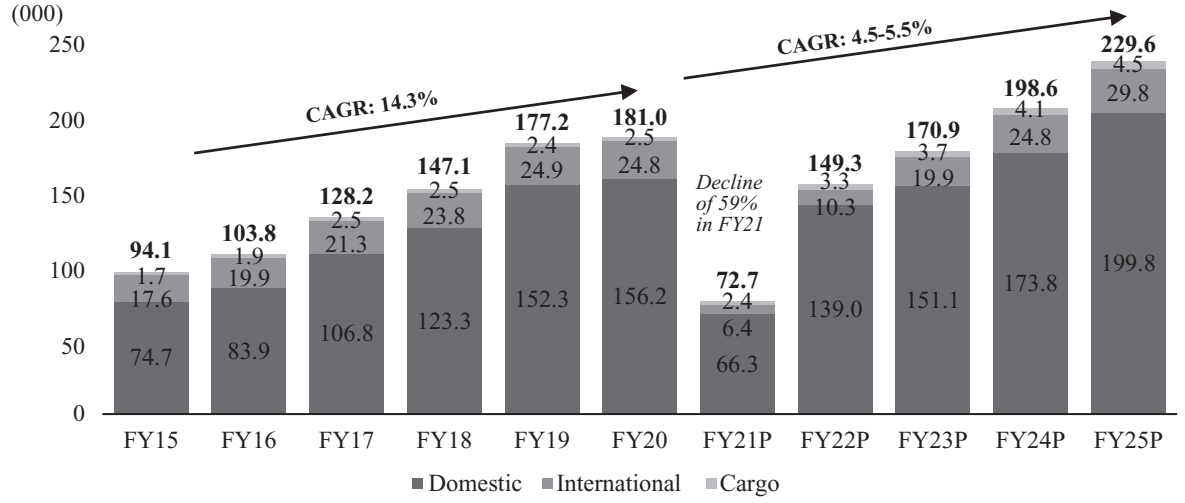
Passenger Traffic Forecast at GHIAL (millions), Fiscal Years 2020 – 2025



Source: CRISIL Research

Air traffic movement (ATM) at the airport is expected to grow at a CAGR of 4.5-5.5% and reach 229 thousand by fiscal year 2025, with international ATM, domestic ATM and Cargo ATM growing at 3.8%, 5.0% and 12.8% respectively.

ATM Forecast at GHIAL (thousands), Fiscal Years 2020 – 2025



Source: CRISIL Research

You should read this section in conjunction with our financial statements and related Notes thereto appearing elsewhere in this offering memorandum. Our financial statements have been prepared and presented under Ind-AS, which differs in certain respects from IFRS. See "Presentation of Financial Information," "Risk Factors—Risks Related to our Business—The joint review and audit reports from our independent joint auditors in respect of our consolidated financial statements contain a qualification and emphasis of matters" and "Risk Factors—Risks Related to India—Indian accounting principles differ from those which prospective investors may be familiar with in other countries" for further details.

OVERVIEW

We hold the exclusive right to operate, manage and develop Rajiv Gandhi International Airport (the "Airport")—one of the busiest airports in India in terms of passenger traffic, ranking sixth for fiscal year 2020 and fourth for the six months ended September 30, 2020, according to data compiled by the Airports Authority of India ("AAI"). Our core activities include the development, management, maintenance and operation of the Airport and the management of commercial and other activities conducted at the Airport, including commercial property development and the provision of maintenance, repair and overhaul ("MRO") services to air carriers, and we also own the five-star rated Novotel Hyderabad Airport Hotel located in the vicinity of the Airport. The Airport serves Hyderabad, which is the fourth most populous city in India and currently the joint capital of Telangana and Andhra Pradesh, making it the regional hub while the new capital of Andhra Pradesh is under construction. The Airport is strategically located in central India, with the majority of India's territory reachable within two hours' flight time and the major population centers of the Middle East, Central and Southeast Asia reachable within five hours' flight time. In fiscal year 2020, the Airport served 26 airlines operating connections to 70 destinations, comprising 16 international destinations and 54 domestic destinations. As at September 30, 2020, the Airport served 16 airlines operating connections to 57 destinations, comprising 6 international destinations (operated through flight bubble arrangements) and 51 scheduled domestic destinations. Prior to the COVID-19 pandemic, the Airport was one of the fastest growing non-metro airports in India with air passenger traffic having grown at a compound annual growth rate ("CAGR") of 12.0% between fiscal year 2009 and fiscal year 2020, according to AAI.

The Airport's operations have been significantly impacted by the COVID-19 pandemic. Civil aviation in India was suspended by the Government on March 23, 2020, and the Government of India also imposed a country-wide lockdown from March 25, 2020, which extended until September 30, 2020 (with certain limited exceptions) to contain the spread of COVID-19. Restrictions on domestic flight operations were partially lifted from May 25, 2020, and domestic passenger traffic has been gradually returning in line with a phased increase in flight activity in accordance with directives from the Government of India. We had domestic passenger traffic of 0.2 million for the three months ended June 30, 2020, which increased to 1.6 million for the three months ended September 30, 2020. However, international passenger traffic has yet to meaningfully resume due to cross border travel restrictions. Currently, only Vande Bharat Mission flights and flights under flight bubble arrangements are operating on international routes with limited frequency. Vande Bharat Mission flights have no fixed schedule and are special one-off flights arranged by the Government to facilitate Indian citizens returning from abroad during the COVID-19 pandemic. Flight bubble arrangements are bilateral agreements between India and other countries to allow a certain mutually agreed number of scheduled flights to operate between the countries. As of September 30, 2020, flight bubble arrangements were in place between India and Afghanistan, Bahrain, Bhutan, Canada, France, Germany, Iraq, Japan, Kenya, the Maldives, Nigeria, Qatar, the UAE, the UK and the USA. We believe that passenger traffic at the Airport will not fully recover until the widespread administration of effective vaccines is completed and health care facilities to combat COVID-19 are improved to allay the concerns of air travellers. CRISIL Research expects passenger traffic to grow at the Airport at a CAGR of 5.0% to 6.0% from fiscal year 2020 to fiscal year 2025 and reach 27.0 to 28.0 million in fiscal year 2025, with domestic traffic

expected to outperform international traffic. Total cargo traffic at the Airport for the six months ended September 30, 2020 was 45,809 metric tons compared to 72,806 metric tons for the same period in 2019, representing a decrease of 37.1%. Historically, approximately 50% of our cargo volumes was carried on passenger planes. We believe that cargo volume recovery will be relatively faster than passenger traffic recovery. CRISIL Research expects cargo traffic to grow at a CAGR of 6.0% to 7.0% from fiscal year 2020 to 2025 and reach 201,000 metric tons by fiscal year 2025. The reduced aviation traffic due to COVID-19 has also affected our non-aeronautical operations, including, among others, duty free and retail operations, food and beverages, land and space rentals, and others. See "Summary—Introduction—Recent Developments—COVID-19 Outbreak" and "Risk Factors—Risks Related to Our Business—Any outbreaks of contagious diseases such as the recent outbreak of COVID-19 may have a material adverse effect on our business operations, financial condition and results of operations."

Located at Shamshabad, Hyderabad between National Highway 7 ("NH7") and Srisailam Highway, the Airport is connected to parts of South-central India by NH7 and Srisailam Highway and to Hyderabad city by the Outer Ring Road, an eight-lane expressway encircling the entire city, and by the PV Narasimha Rao elevated road to the city center. The government has also announced plans to connect the Airport to the city through the multi-modal transport system ("MMTS"), suburban rail link and Hyderabad metro rail. Pursuant to the Concession Agreement, no new or existing airport is permitted to be developed as, or improved or upgraded into, an international or a domestic airport within an aerial distance of 150 km of the Airport before March 23, 2033 (the 25th anniversary of the Airport Opening Date). See "Industry" for additional information about the aviation sector in India. See "Risk Factors—Risks Related to our Business—The Government of India could grant new concessions that compete with the Airport."

GHIAL was incorporated on December 17, 2002 following a competitive bidding process in which a consortium, led by the GMR Group, was awarded an exclusive concession to design, finance, build, operate and maintain the Airport. On December 20, 2004, we entered into the Concession Agreement with the Ministry of Civil Aviation ("MoCA"), Government of India, which governs our rights and obligations under the Concession. Under the terms of the Concession Agreement (i) we were granted the exclusive right to operate, manage and develop the Airport for a 30-year period until March 23, 2038, with an option to extend the term for an additional 30 years, which we have already exercised and (ii) we are required to pay a concession fee equivalent to 4.0% of our gross revenue annually to the Government of India.

We have also entered into other agreements such as the SSA, the Land Lease Agreement and the CNS/ATM Agreement with the relevant authorities in relation to the operation of the Airport. The SSA entered into with the State Government provides for certain support services and incentives to us for the development of the Airport, subject to certain parameters.

The Airport was commissioned within a period of 31 months from the commencement of construction and became commercially operational on March 23, 2008 with an initial design capacity of 12 million passengers per year and 150,000 metric tons of cargo handling capacity per year. The Airport has facilities and infrastructure which are in line with ICAO standards and practices to handle large aircraft and international traffic. The Airport's facilities include two runways, one cargo terminal and one passenger terminal with a total of 60 check-in counters and 42 aircraft parking stands, comprising 30 remote stands and 12 aerobridges. The Airport houses a 13,500 kiloliter fuel farm facility that operates on an "open access" fuel policy where any oil marketing company under a contract with an airline can supply fuel using this facility. The Airport has the flexibility to increase capacity to accommodate up to 40 million passengers per year in the south precinct on a more cost-efficient basis due to the modular design of the existing infrastructure based on the revised master plan prepared by Landrum & Brown Worldwide Services with projected total capacity of the Airport at approximately 80 million passengers per year. Such expansion is proposed to be developed in a phased manner in line with the expected growth in passenger traffic. The current phase of our long-term Master Plan, the Phase 1B Expansion

and the Phase 1C Expansion (collectively, the "Current Expansion"), entails expansion of the Airport to increase passenger capacity to 34 million passengers per year (which we believe can be further increased to 40 million passengers per year with additional de-bottlenecking measures) from the passenger capacity of 12 million passengers per year as at September 30, 2020. See "—The Master Plan" for further details.

We have also developed a Cargo Village at the Airport, which includes an integrated cargo terminal with domestic, pharmaceutical and international zones within a single terminal. This integrated cargo terminal is spread over an area of 15,000 square meters, containing three aircraft parking bays and a total cargo handling capacity of 150,000 metric tons per year as of September 30, 2020. In addition to these facilities, the Cargo Village also includes a dedicated domestic express terminal operated by Blue Dart and a dedicated cargo satellite building with offices for cargo agents, airlines, regulatory bodies and warehousing space adjacent to the cargo terminal.

Passenger traffic at the Airport has grown substantially from 6.2 million passengers in fiscal year 2009 (when it began commercial operations) to 21.6 million passengers in fiscal year 2020, a CAGR of 12.0%. Cargo volume has also increased significantly, from 54,245 metric tons in fiscal year 2009 to 143,884 metric tons in fiscal year 2020, a CAGR of approximately 9.3%, higher than India's average of 6.3% during the same period. For the fiscal years 2020, 2019 and 2018, (i) total passenger traffic at the Airport was 21.6 million, 21.4 million and 18.2 million, respectively, (ii) total cargo traffic at the Airport was 143,884 metric tons, 144,126 metric tons and 134,141 metric tons, respectively, and (iii) the Airport handled 183,450, 179,606 and 149,581 air traffic movements, which are all aircraft arrivals and departures to and from the Airport.

Under the Land Lease Agreement, the State Government has leased us 5,492 acres and 26 guntas of land for the development of the Airport in accordance with the Concession Agreement along with the exclusive right to develop (or sub-lease the land for) non-airport activities on the site, of which we have designated 1,500 acres for commercial property development in the Master Plan. The initial term of the lease is 30 years until March 23, 2038 (the 30th anniversary of the Airport Opening Date), with an option to extend the term for an additional 30 years, which we have already exercised. We are in the process of developing the commercial site in a phased manner. Out of the 1,500 acres of land designated for commercial development, we have designated 250 acres for a multi-product special economic zone ("SEZ"), which will include a "Free Trade Warehousing Zone" of 20 acres, and an additional 250 acres for a logistics park. The Airport is currently one of India's few airport-based free trade zones, which provides companies an opportunity to undertake trading, distribution, minor assembly, value additions such as packaging and labelling and warehousing for effective re-export of commodities with facilities for sorting, grading, kitting and repacking. The remaining acres are available for development of a theme-based airport city, which is expected to include, among others, a multi-specialty hospital, convention center and exhibition facility, an amusement park, an international business school and an international school. As at September 30, 2020, we have monetized approximately 194.5 acres of this land. See "—Our Sources of Revenue—Non-aeronautical Services—Commercial Property Development" for further details.

We entered into a concessioning, operationalization and maintenance agreement with the Government of Karnataka on January 30, 2020 to relating to the operationalization of the civilian enclave of Bidar Airport (the "Bidar Airport") which is within the 150 km aerial distance of the Airport. The exclusive right to maintain and operate the civilian enclave is valid until March 22, 2033. We do not expect revenues from this concession to be material. See "—Bidar Airport Concession."

In fiscal year 2020, we had total revenue of Rs. 21,350.2 million (US$289.3 million) and Adjusted EBITDA of Rs. 11,175.8 million (US$151.4 million), an increase of 6.6% and 0.8%, respectively, from total revenue of Rs. 20,021.0 million and Adjusted EBITDA of Rs. 11,089.1 million in fiscal year 2019. For the six months ended September 30, 2020, we had total revenue of Rs. 3,827.3 million (US$51.9 million) and Adjusted EBITDA of

Rs. (294.1) million (US$(4.1) million), a decrease of 64.3% and 104.9%, respectively, from total revenue of Rs. 10,712.8 million and Adjusted EBITDA of Rs. 5,995.8 million for the six months ended September 30, 2019.

Our majority shareholder is GMR Airports Limited, a 51% subsidiary of the GMR Group, a leading diversified infrastructure group in India with substantial experience in the development and operation of airports including the Indira Gandhi International Airport in Delhi, power plants, roads and urban infrastructure. The remaining 49% stake in GMR Airports Limited is owned by Groupe ADP, which develops and manages airports, including Paris-Charles de Gaulle, Paris-Orly and Paris-Le Bourget. Our other shareholders include AAI, the State Government and Malaysia Airports Holdings Berhad, a leading international airport operator. See "Principal Shareholders" for more information about our shareholders.

COMPETITIVE STRENGTHS AND STRATEGIES

Our business has been negatively affected by the global COVID-19 pandemic (see "Summary—Introduction—Recent Developments—COVID-19 Outbreak"). Notwithstanding this impact, we believe that the fundamentals of our business remain positive, with domestic travel expected to recover to pre-COVID levels by 2023 and international tourism expected to gradually revive by 2024 according to CRISIL Research. The strengths and strategies set forth herein are based on this outlook for the business and sector.

COMPETITIVE STRENGTHS

We believe our competitive strengths include the following:

Attractive Industry Dynamics

India, with an estimated population of 1,326 million (as of July 2020), had an estimated GDP adjusted for purchasing power parity of approximately US$9.47 trillion in 2017 according to the CIA World Factbook. This makes it the third largest economy by GDP in the world after the U.S. and China. Indian passenger air traffic grew at a CAGR of 12% from fiscal year 2015 to fiscal year 2020, driven by economic growth and growing availability of low cost air travel options. Considering the impact of the COVID-19 pandemic, passenger air traffic is now projected to grow at 7-8% CAGR between fiscals 2020 and 2025 according to CRISIL Research.

As a result of strong economic growth and other positive macroeconomic indicators in India, there has been an overall growth in passenger traffic in India and at our Airport, although passenger traffic has also been partly driven by low fares. We believe that the expansion of India's middle class, coupled with increased disposable incomes due to an expanding economy, is projected to help achieve some of the fastest growth in the world over the next 20 years. The Indian civil aviation industry has also ushered in a new era of expansion, driven by factors such as low-cost carriers ("LCCs"), modern airports, FDI in domestic airlines, advanced IT interventions and the growing emphasis on regional connectivity. In fiscal years 2018, 2019 and 2020, passenger traffic in India was 309 million, 345 million and 341 million, respectively, representing a CAGR of 5.1% over the three fiscal years, and passenger traffic at our Airport was 18.2 million, 21.4 million and 21.6 million, respectively, representing a CAGR of 9.2% over the three fiscal years. However, passenger traffic declined significantly at the end of fiscal year 2020 and during the six months ended September 30, 2020 due to the COVID -19 pandemic.

The introduction of low-cost carriers, modern airports, foreign investment in domestic airlines, the intervention of advanced information technologies and the ever-growing emphasis on regional connectivity have contributed towards a dynamic expansion of the civil aviation industry of India. Prior to the impact of the COVID-19 pandemic, passenger air traffic was projected to grow at a CAGR of 13-15% from fiscal year 2018 to fiscal year 2023, according to CRISIL. CRISIL Research expects passenger traffic to grow at the Airport at a

CAGR of 5.0% to 6.0% from fiscal year 2020 to fiscal year 2025 and reach 27.0 to 28.0 million in fiscal year 2025, with domestic traffic expected to outperform international traffic. A rebound in economic growth, improved air connectivity to tier-2 and tier-3 cities, and international expansion of Indian low-cost carriers will drive passenger air traffic growth, according to CRISIL Research. We were the fourth busiest airport in India in terms of passenger traffic in the six months ended September 30, 2020, behind Delhi, Bangalore and Mumbai airports, according to AAI.

We have been appointed by the Government of Karnataka under the UDAN scheme to maintain and operate the Bidar Airport, which is located within an aerial distance of 150 km of the Airport and over which we enjoy exclusivity until the 25th anniversary of the Airport Operation Date, which will be March 23, 2033. We will earn a fee for our operation of Bidar Airport in accordance with an approved annual budget. We do not expect revenues from this concession to be material. The inaugural flight under the Regional Connectivity Scheme landed at Bidar Airport on February 7, 2020. UDAN-RCS, UDAN (Ude Desh ka Aam Naagrik) is a regional airport development and "Regional Connectivity Scheme" of the Government of India, with the objectives of "letting the common citizen of the country fly", making air travel affordable and widespread and boosting inclusive economic development and job growth. The scheme has two components. The first component is to develop new airports and enhance the existing regional airports to increase the number of operational airports for scheduled civilian flights from 70 (in May 2016, total 98 operational including army airports) to at least 150 airports (by December 2018) with regular scheduled flights. The second component is to add several hundred financially-viable, capped-airfare, new regional flight routes to connect more than 100 underserved and unserved airports in smaller towns with each other as well as with well served airports in bigger cities by using "Viability Gap Funding" ("VGF") where needed. VGF is a component of the Regional Connectivity Scheme, pursuant to which MoCA levies a charge on domestic flights and uses the proceeds to fund a subsidy given to airlines that provide capped airfares for certain under-served and unserved regional routes at a target airfare rate of Rs. 2,500 per passenger per hour of flight time. Following the counter-bidding for routes under the Regional Connectivity Scheme, 335 routes have been awarded, covering 33 airports. The Regional Connectivity Scheme also eliminates the existing requirement that airlines must fly domestic routes for at least five years before they fly international routes, so that airlines with at least 20 aircraft may immediately start flying internationally. Under the Regional Connectivity Scheme, new flight connections are operational between 12 underserved airports and our Airport, and we expect more such routes to become operational given the Airport's strong catchment area.

Strategic Location with a Superior Catchment Area

With a population of 6.8 million people, Hyderabad is India's fourth most populous city and a leading financial and industrial center. Hyderabad is considered to be one of the top cities in India in terms of quality of living and has been named by National Geographic 'Traveler' magazine as a top rated destination. Further, the State of Telangana has been ranked number one in terms of doing business in India with an increasing industrial presence in the immediate catchment areas. The State of Telangana also accounts for one third of national bulk drug production according to the IBEF. As Hyderabad is currently the joint capital of Telangana and Andhra Pradesh, the Airport serves as an aviation hub for the region. Moreover, under the Concession Agreement, no new or existing airport is permitted to be developed as, or improved or upgraded into, an international or a domestic airport within an aerial distance of 150 km of the Airport before March 23, 2033. See "Risk Factors—Risks Related to our Business—The Government of India could grant new concessions that compete with the Airport" for further details. Hyderabad's central Asian location is one of the Airport's greatest strengths, with the majority of India's territory reachable within two hours' flight time and the major population centers of the Middle East, Central and Southeast Asia reachable within five hours' flight time. In fiscal year 2020, the Airport served 26 airlines operating connections to 70 destinations, comprising 16 international destinations and 54 domestic destinations, and as a result of increased flight routes, increased flight frequencies and large and fuller aircrafts, passenger traffic at the Airport increased significantly from 6.2 million passengers in fiscal year 2009, the Airport's first year of commercial operations, to 21.6 million passengers in fiscal year 2020, a CAGR

of 12.0%. Following the lifting of COVID-19 flight restrictions with effect from May 25, 2020, the Airport resumed operations and as at September 30, 2020 served 16 airlines operating connections to 57 destinations, comprising 6 international destinations (operated through flight bubble arrangements) and 51 scheduled domestic destinations.

Strong Operating and Financial Performance

The Airport has experienced substantial traffic growth since beginning commercial operations in 2009. Passenger traffic at the Airport increased from 6.2 million passengers in fiscal year 2009 to 21.6 million passengers in fiscal year 2020, a CAGR of 12.0%. Cargo volume has also increased significantly, from 54,245 metric tons in fiscal year 2009 to 143,884 metric tons in fiscal year 2020, a CAGR of approximately 9.3%, higher than India's average of 6.3%. For the six months ended September 30, 2020 and 2019 and fiscal years 2020, 2019 and 2018, (i) total passenger traffic at the Airport was 1.9 million, 10.9 million, 21.6 million, 21.4 million and 18.2 million, respectively, of which 0.1 million, 2.0 million, 3.9 million, 4.0 million and 3.7 million, respectively, were international passengers, (ii) total cargo traffic at the Airport was 45,809 metric tons, 72,806 metric tons, 143,884 metric tons, 144,126 metric tons and 134,141 metric tons, respectively, of which 28,531 metric tons, 42,255 metric tons, 82,471 metric tons, 83,594 metric tons and 79,177 metric tons, respectively, represented international cargo and (iii) the Airport handled 24,725, 89,908, 183,450, 179,606 and 149,581 air traffic movements, of which 2,496, 12,977, 25,759, 25,885 and 24,795, respectively, represented international ATMs. As a result of growth in traffic at the Airport, we increased our declared runway capacity to 36 peak hour movements in fiscal year 2018 from 33 peak hour movements in fiscal year 2017 through a reduction in runway occupancy time and inter-arrival separation. However, the Airport's operations have been significantly affected during the six months ended September 30, 2020 due to the COVID -19 pandemic. See "Summary—Introduction—Recent Developments—COVID-19 Outbreak" and "Risk Factors—Risks Related to Our Business—Any outbreaks of contagious diseases such as the recent outbreak of COVID-19 may have a material adverse effect on our business operations, financial condition and results of operations."

In fiscal year 2020, we had total revenue of Rs. 21,350.2 million (US$289.3 million) and Adjusted EBITDA of Rs. 11,175.8 million (US$151.4 million), an increase of 6.6% and 0.8%, respectively, from total revenue of Rs. 20,021.0 million and Adjusted EBITDA of Rs. 11,089.1 million in fiscal year 2019. Due to the effects of the COVID-19 pandemic and the implementation of the 2020 AERA Order, for the six months ended September 30, 2020, we had total revenue of Rs. 3,827.3 million (US$51.9 million) and Adjusted EBITDA of Rs. (294.1) million (US$4.1) million), a decrease of 64.3% and 104.9%, respectively, from total revenue of Rs. 10,712.8 million and Adjusted EBITDA of Rs. 5,995.8 million for the six months ended September 30, 2019.

Diversified Revenue Base

The Airport benefits from a diversified passenger base from various markets, including the Asia Pacific region, the Middle East, Europe and the United States. The Airport served 26 passenger airlines and six cargo freighters during fiscal year 2020. Of the international passengers that came through the Airport during fiscal year 2020 and fiscal year 2019, 45% and 48%, respectively, were from Middle East, 21% and 18%, respectively, were from North America, 19% and 18%, respectively, were from Asia, 9% and 8%, respectively, were from Europe, 5% and 7%, respectively, were from other regions. In addition, international cargo accounted for approximately 57.3% and 58.3% of cargo traffic in fiscal years 2020 and 2019 respectively.

Our revenue from contracts with customers is derived from (i) revenue from aeronautical operations, which comprises user development fees, passenger service fees, landing charges, parking and housing charges, common infrastructure charges, cargo operations (including a full scope of cargo handling services encompassing both physical handling as well as documentation services), fuel farm infrastructure fees and fuel farm throughput fees and revenues from ground handling services and are regulated by AERA and (ii) revenue from non-aeronautical

operations, which comprises revenue earned by us from non-aeronautical operations including, among others, our duty free stores at the Airport, aircraft MRO services, revenue sharing arrangements with our joint venture, Laqshya Hyderabad Airport Media Private Limited, which provides advertising services at the Airport, rent and/or revenue sharing from leasing of terminal space, retail goods and services, food and beverage, car park, car rental services, automated teller machines, lounge rental fees, foreign exchange counters and others), and (iii) revenue from non-airport services comprising of revenues from commercial property development and revenue from hospitality services attributable to our five-star rated Novotel Hyderabad Airport Hotel, which is managed and operated by AAPC India Hotel Management Private Limited (part of the Accor Group). In order to align the classification of major revenue streams as per the tariff set under the 2020 AERA Order, we reclassified the revenue streams accruing to fuel farm, ground handling and cargo handling services under the aeronautical revenue during fiscal year 2020. These revenue streams prior to fiscal year 2020 were classified as non-aeronautical revenue under the audited financial statements. However, for the purpose of comparability across all periods presented in this offering memorandum, we have presented revenues from fuel farm, ground handling and cargo handling services pertaining to fiscal year 2019 and fiscal year 2018 under aeronautical revenues. See "Management's Discussion and Analysis of Financial Position and Results of Operations—Components of our income and expenditures—revenue." With effect from January 15, 2020, fuel farm throughput fees have been discontinued pursuant to the 2020 AERA Order. As part of our multi-year tariff order application for the third control period, we are requesting to recover the foregone revenue from fuel farm throughput fees in the form of true-ups or an alternative levy. We filed our aeronautical tariff application for the third control period on July 24, 2020, and it is currently under review by AERA.

We have had a balanced mix of revenue from aeronautical operations, non-aeronautical operations and revenue from non-airport services. Revenue from aeronautical operations was Rs. 12,044.5 million (US$163.2 million), Rs. 11,624.1 million and Rs. 10,060.8 million for fiscal years 2020, 2019 and 2018, respectively, accounting for 59.8%, 62.0% and 63.1% of our revenue from contracts with customers in those periods. Revenue from non-aeronautical operations was Rs. 7,141.2 million (US$96.8 million), Rs. 6,257.0 million and Rs. 5,088.5 million for fiscal years 2020, 2019 and 2018, respectively, accounting for 35.5%, 33.4% and 31.9% of our revenue from contracts with customers in those periods. Revenue from non-airport services was Rs. 939.0 million (US$12.7 million), Rs. 879.4 million and Rs. 785.5 million for fiscal years 2020, 2019 and 2018, respectively, accounting for 4.7%, 4.7% and 4.9% of our revenue from contracts with customers in those periods. Revenue from aeronautical operations was Rs. 1,079.1 million (US$14.6 million) and Rs. 6,222.1 million for the six months ended September 30, 2020 and 2019, respectively, accounting for 37.0% and 61.4% of our revenue from contracts with customers in those periods. Revenue from non-aeronautical operations was Rs. 1,641.6 million (US$22.2 million) and Rs. 3,402.3 million for the six months ended September 30, 2020 and 2019, respectively, accounting for 56.3% and 33.6% of our revenue from contracts with customers in those periods. Revenue from non-airport services was Rs. 193.6 million (US$2.6 million) and Rs. 511.2 million for the six months ended September 30, 2020 and 2019, respectively, accounting for 6.6% and 5.0%. We believe that we have a robust revenue model based on our aeronautical revenue stream with the potential for significant upside through our non-aeronautical revenue stream, which is not subject to regulatory control, in particular due to our commercial property development business which provides a revenue stream largely delinked from air travel and which is set to grow as we sub-lease the remainder of the 1,500 acres of land that we have designated for development in the Master Plan. Our MRO business operations largely remain unaffected on account of COVID-19 pandemic, posting increased revenues for the six months ended September 30, 2020 compared with the corresponding period in 2019. We have also been successful in monetizing approximately 75 acres of land parcel through a long-term lease in the nine months from April 2020 to December 2020.

We believe that our diversified operations and sources of revenue helped create consistent revenue generation through a combination of regulated revenue streams and business focus strategies before the onset of the COVID-19 pandemic. The COVID-19 pandemic has driven us to think of a revenue model, which would

have relatively lesser degree of reliance on traffic-linked revenue, for example, non-aeronautical offerings at the Airport targeting the general population of the city.

Significant Real Estate Development Opportunity

Under the Land Lease Agreement, the State Government has leased us 5,492 acres and 26 guntas of land for the development of the Airport in accordance with the Concession Agreement along with the exclusive right to develop (or sub-lease the land for) non-airport activities on the site, of which we have designated 1,500 acres for commercial property development in the Master Plan.

We are in the process of developing the commercial site in a phased manner. Out of this 1,500 acres, we have designated 250 acres for a multi-product SEZ, which will include a "Free Trade Warehousing Zone" of 20 acres, and an additional 250 acres for a logistics park. The developers in the multi-product SEZ will be entitled to fiscal incentives together with "single window" clearances for regulatory approvals and 24-hour power and other utilities. The remaining acres are available for development of a theme-based airport city, which is expected to include among others a multi-specialty hospital, convention center and exhibition facility, an amusement park, an international business school and an international school. As at September 30, 2020, we have monetized approximately 194.5 acres of this land.

On April 16, 2020, our subsidiary GMR Hyderabad Aerotropolis Limited ("GHAL") formed a joint venture with Singapore-based ESR Hyderabad 1 Pte. Limited ("ESR") to develop a logistics and industrial park at the Airport, in connection with which the joint venture company has leased 66 acres of land from GMR Hyderabad Aerotropolis Limited. ESR and GHAL hold stakes of 70% and 30%, respectively, in the joint venture. ESR will contribute its brand and operational expertise to build out a logistics business based around the park, and the project is currently in the capitalization and construction planning phase. We believe the transaction will support our airport-centric logistics and industrial park business by providing state-of-the-art facilities for distribution centers, warehousing and non-polluting industries, such as light assembly.

We believe that this 1,500-acre site presents a significant real estate development opportunity for us and an additional source of cash flow for our business.

Stable Regulatory Outlook

Our business operations fulfill a number of socio-economic goals that are important to the Indian government, such as employment and infrastructure development, and our operational, development and expansion plans are closely aligned with the government's objectives, including supporting the economic development of India and encouraging the growth of tourism. In addition, 13.0% of our shares are currently owned by the State Government and 13.0% of our shares are owned by AAI, making the Government of India one of our key shareholders. In this regard, we have received financial support from State Government in the form of development grants and interest free loans with deferred payment terms and the Concession Agreement provides for a modest revenue-sharing of 4.0% of gross revenues with the Government of India.

The Government of India's Aviation Policy 2016 introduced various measures to make flying affordable and convenient for the Indian public and promote the growth of the Indian civil aviation sector. The Aviation Policy 2016 seeks to enhance regional connectivity by providing fiscal support and infrastructure development while improving the ease of doing business through deregulation, use of electronic platforms and simplified procedures. The Aviation Policy 2016 endorsed the adoption of the 30% hybrid till tariff model for all airports in India. This endorsement helps ensure that AERA will continue to approve our current 30% hybrid till tariff model in subsequent control periods, providing valuable visibility for our future financial planning, in addition to

contributing to uniformity and fairer competition among airports in India. The policy has also encouraged the development of MRO, ground handling, cargo and aviation turbine fuel infrastructure facilities located at the Airport by designating the companies rendering such services as infrastructure companies, which entitles them to certain tax and other fiscal benefits available to the infrastructure sector. Going forward, the Government of India will seek to enter into "open sky" air service agreements on a reciprocal basis with member countries of the South Asian Association for Regional Cooperation and countries that are more than 5,000 km from India. The Aviation Policy 2016 targets to increase annual domestic air passengers to 500 million, international air passengers to 200 million and cargo volumes to 10 million metric tons by 2027.

The Government of India also plays a range of other important roles with respect to our business, including through regulatory, supervisory, operational coordination and contractual counterparty roles across many aspects of our airport operations and other activities. We believe that due to the pivotal importance of air travel to the economic development of India, we will benefit from the ongoing initiatives of the Government of India.

Our revenue from aeronautical services, which is generated from fees we collect from airlines and passengers, is set by AERA, an independent regulator established by the Government of India. Our expansion plans, including our plans for future capital expenditures in subsequent control periods, is subject to AERA's review and approval in connection with its tariff decisions. As a result, we believe that AERA's tariff decisions provide assurances that sufficient revenue will be available from aeronautical services to fund our intended capital expenditures in line with the plans we have submitted to AERA. We have the right to appeal AERA's tariff rates to a separate appellate tribunal, which provides us with an avenue to address potential concerns. See "Indian Regulatory Environment—Regulatory Bodies—AERA" for further details.

Independent Company with Strong Oversight Controls

We exercise independence in our managerial and financial operations while also enjoying the support of reputable shareholders. Our shareholders include private sector sponsors GMR Infrastructure Limited and Malaysia Airports Holding Berhad (through MAHB Mauritius Private Limited) and public sector entities AAI and the State Government. Under the SHA, the role of our private sector shareholders is to manage the operations of the Airport while our public sector shareholders provide the relevant support, particularly by ensuring reliable transport infrastructure, power and utilities, ensuring security at the Airport, and advising on policy with regard to the regulatory till and other regulatory matters. Certain fundamental decisions with respect to our strategy and business require the approval of directors from each of our public-sector shareholders, as does any approval of agreements relating to engineering, procurement and construction, operations and management, or communications and air traffic control that we enter into with affiliates of our shareholders. Our public sector shareholders also provide financial support, particularly with regard to development grants and interest free loans with deferred payment terms, from the State Government, and the Concession Agreement provides for a modest revenue-sharing of 4.0% of gross revenues with the Government of India, which is one of the lowest concession fee structures among PPP airports in India.

Our board is comprised of 15 directors, of which six are nominated by the GMR Group, one is nominated by Malaysia Airports Holding Berhad, two are nominated by AAI, two are nominated by the State Government and four are independent directors. Our key board committees include nominees from our public sector shareholders and independent directors. See "Management" for further details.

Our majority shareholder is GMR Airports Limited, a 51% subsidiary of the GMR Group, which has substantial experience in the development and operation of airports, including the Indira Gandhi International Airport in Delhi. The GMR Group believes in contributing its industry expertise to the companies it invests in while establishing for each a clear and independent management structure. GHIAL's financing documents do not include cross-default provisions with respect to the GMR Group, which further strengthens GHIAL's insulation

from the GMR Group. As a regulated entity, legislative, regulatory and structural restrictions prohibit GHIAL from supporting the GMR Group to extent that would in turn impair GHIAL's standalone creditworthiness. The remaining 49% shareholder of GMR Airports Limited is Groupe ADP, which develops and manages airports, including Paris-Charles de Gaulle, Paris-Orly and Paris-Le Bourget, which we believe may open up new opportunities for route development, operational expertise, retail partnerships and other business innovations. Another of our shareholders is Malaysia Airports Holding Berhad, a subsidiary of Malaysia Airports Limited, a leading international airport operator with very strong domain expertise in airport operations and management, which takes a passive role in managing our operations while providing advice on strategic matters to our board. We are a separate legal entity from our shareholders, do not permit co-mingling of cash flows and enter into transactions with our affiliates on an arm's-length basis, and we have independent directors on the board who have effective influence on decision making. As a result, we enjoy significant independence from our shareholders in managing and operating the Airport.

Excellent Reputation and Highly Experienced Management

We believe our competitive position compared to other world-class airport operators and a continuing reputation for operational excellence within the airport services industry is a significant competitive advantage. GMR Group has been in the airports business for more than a decade and has established itself as a leading airport developer. Our majority shareholder, GMR Airports Limited, which is part of the GMR Group, is a full service airport developer, providing end-to-end solutions across construction, financing, development, operation and management of airports. Our highly experienced management team has leveraged that experience at the GMR Group to make substantial infrastructure and operational improvements at the Airport and greatly improve the Airport's reputation. Our management team is composed of experienced professionals with extensive knowledge of airport safety and operations, finance, business development, infrastructure projects and human resources management in airport-related operations. We believe our management team's capabilities and core understanding of our business, as well as the related regulatory environment, enable us to operate efficiently and manage risk effectively.

As a result of our management's continued efforts, coupled with that of our partners, the Airport and/or GHIAL have been recognized by several industry observers and have earned a number of awards, including the following:

- Ranked number one in 2009, 2010, 2016 and 2017, number two in 2012 and 2013 and number three in 2011, 2014 and 2015 for "Best Airport in the World" among 5-15 million passenger size airports by the Airport Council International;
- World #4 ASQ ranking in 15-25 Million category in 2018 by Airport Council International;
- "Second position in the Best Regional Airport in India and Central Asia" at the SKYTRAX World Airport Awards 2020;
- ACI Airport Health Accreditation in 2020 for prioritizing health and safety measures;
- Best Airport Staff Service Awards (India / Central Asia categories) at the SKYTRAX World Airport Awards 2020;
- LEED "silver" rating for the Airport's eco-friendly design;
- 5-star certification and the "Sword of Honor" from the British Safety Council;
- Level 3 accreditation by ACI in relation to airport carbon emission;

- First place in the "Large Scale—Service" category of the CII SR 5S Excellence Award 2015;
- "ASSOCHAM 2nd Corporate Governance Excellence Award" in 2015 and 2016—as runner up under Unlisted Private Sector Company of Less than Rs. 5 billion Turnover category;
- "Best Management Award" from the Government of Andhra Pradesh;
- "Active Customer Engagement Award" in the inaugural edition of "CII Award for Customer Obsession 2016";
- "Golden Peacock Environment Management Award" in 2015;
- "Golden Peacock Business Excellence Award 2017" under the "Large Scale Industry—Transportation—Aviation" category;
- Our cargo subsidiary, GMR Air Cargo and Aerospace Engineering Limited (cargo division, formerly known as Hyderabad Menzies Air Cargo Private Limited), received the award for "Best Cargo Terminal Workforce 2016" at the Warehousing Excellence Awards;
- 15th National Award for Excellence in Cost Management 2017 and 16th National Award for Excellence in Cost Management 2018 from Institute of Cost Accountants of India;
- Excellent Energy Efficient Unit Award at the 19th National Award Ceremony for 'Excellence' in Energy Management;
- CII- Green Power Excellence Award 2020 in the "Ground Mounted Solar" category;
- Green Airports Silver Recognition award by ACI (Airport Council International) in 2019;
- Asia-Pacific HR Excellence Bronze Recognition by ACI (Airport Council International) in 2019;
- FTCCI (Federation of Telangana Chambers of Commerce and Industry) Excellence Award for "Excellence in Corporate Social Responsibility (CSR);
- National Energy Leader Award by CII in 2019 and 2020;
- Excellent Energy Efficient Unit by CII Smart Cargo Airport of the Year by Maritime Gateway;
- Gold Category Recognition based on the Business Excellence Maturity Assessment Program;
- 4 star Recognition in CII-EHS Excellence Award;
- The Institute of Company Secretaries of India (ICSI) 3rd CSR Excellence Award 2018 for Best Corporate (Emerging Category);
- Gold Award in Telangana State Energy Conservation Awards- 2020;
- "Golden Peacock Award for Corporate Social Responsibility 2017" under Transportation—Aviation" category;

- Our MRO Subsidiary received CII (Confederation of Indian Industry) Southern Region 5S Excellence Award 2018-19;

- Our MRO Subsidiary received certificate for completing 500 C Checks from AERO MRO India; and

- Featured among top 10 airports globally in 2019 Annual Ratings for passenger experience (on-time performance, service quality and food & shopping options) by AirHelp.

STRATEGIES

We intend to seek to increase revenues and improve efficiencies through the following key measures:

Successfully Implement the Current Expansion

Prior to the Covid-19 pandemic, as passenger traffic at the Airport had exceeded the passenger capacity of the Airport, we embarked on a significant expansion at the Airport to increase passenger capacity through the construction of additional facilities, which we expect will contribute to an increase in both aeronautical revenues and non-aeronautical revenues once passenger traffic recovers from the COVID-19 pandemic. In response to the COVID-19 pandemic, we have introduced several measures at the Airport to instill confidence in passengers on the safety of the travel, such as contactless entry into the terminal where authentication may be verified by a Central Industrial Security Force ("CISF") through video, contactless common-use self service ("CUSS") with a web browser-based interface to enable passengers to check in through mobile, virtual customer information desks, contactless elevators based on infrared technology, Corona UV Ovens to sanitize purchases made by passengers at the airport, and contactless food and beverage ordering and digital payments via mobile applications. Accordingly, we incurred costs of approximately Rs. 50 million in the six months ended September 30, 2020 in connection with these health and safety facilities and to ensure compliance with government regulations. During the construction period, in order to address growth and to maintain the passenger experience while the expansion construction is underway, we have undertaken various de-bottlenecking measures such as the development of an interim international departure concourse, e-boarding facility and express check-in facility, including additional entry points to the terminal, re-orientation of security checkpoints, modification of the baggage handling system, kerb side expansion, ramp expansion, including additional remote gates by extending the bus lounge and de- peaking of passengers to improve both terminal and airside capacities.

Under the terms of the Concession Agreement, we are required to update and re-submit the Master Plan to the Government of India every five years or more frequently if justified by traffic growth or other reasons covering the anticipated demands. We made our last submission of the Master Plan to MoCA in fiscal year 2018, which included the Airport's developmental need in greater details for the five-year period between fiscal year 2018 and fiscal year 2022 and the broad plans for the period between fiscal year 2019 and fiscal year 2039. In light of the growth of LCCs, higher traffic growth than was previously assumed, changes in flight and passenger demand and other factors, we have revisited the Master Plan and expect to submit to MoCA a revised Master Plan consisting indicative planning and implementation periods beyond 2022 for Phase 2A and Phase 2B.

The Current Expansion, comprising the Phase 1B Expansion and the Phase 1C Expansion, entails expansion of the Airport to increase passenger capacity to 34 million passengers per year (which we believe can be further increased to 40 million passengers per year with additional de-bottlenecking measures) from the existing passenger capacity of 12 million passengers per year. Passenger traffic at the Airport was 21.6 million for the fiscal year 2020, but has contracted significantly for the six months ended September 30, 2020 to 1.9 million on account of COVID-19. We believe that traffic may recover as the pandemic subsides with mass vaccination in many countries in the next six to nine months. CRISIL Research expects passenger traffic to grow at the Airport

at a CAGR of 5.0% to 6.0% from fiscal year 2020 to fiscal year 2025 and reach 27.0 to 28.0 million in fiscal year 2025, with domestic traffic expected to outperform international traffic. CRISIL Research expects cargo traffic to grow at a CAGR of 6.0% to 7.0% from fiscal year 2020 to 2025 and reach 201,000 metric tons by fiscal year 2025. In connection with the Current Expansion, we will expand the terminal and associated facilities to augment annual passenger processing capacity in order to meet the demand of the projected traffic growth. The Current Expansion includes, among others, (i) the addition of a modular expansion to the east and west sides which will more than triple the size of the existing terminal, (ii) pier expansion (east and west side), (iii) apron expansion for stands and excess taxi provisions and (iv) modification of the departure forecourt and ramp modification. The table below provides a snapshot of the key infrastructure additions upon completion of the Current Expansion as compared to the existing infrastructure at the Airport:

Particulars	Existing[1]	Post-Current Expansion
Aircraft apron stands	42	93
Total contact stands	10	44
Baggage carousels/claim unit (International) (90m)	2	7
Baggage carousels/claim units (Domestic) (90m)	3	7
Total baggage carousels/claim	5	14
Terminal area	117,000 sqm	379,370 sqm

(1) According to the Master Plan.

We have awarded the major contracts for the Current Expansion pertaining to terminal and airside developments to Larsen & Toubro Limited and Megawide Construction Corporation for an aggregate value of Rs. 39.77 billion (US$538.9 million). For a description of these contracts, see "Business—Contracts for the Current Expansion". The construction work is progressing and ramp and airside sub-projects which were awarded earlier have been completed.

Our earlier expansion plan to expand capacity to 20 million passengers per year, which was filed with our tariff submission to AERA for the second control period in March 2016 based on the traffic growth at that time, was considered by AERA, and AERA's assessment of our capital expenditure plan for 20 million passengers per year was published in a consultation paper issued by AERA in December 2017 and also in the 2020 AERA Order issued in March 2020 setting our tariff for the second control period. However, we revisited our capital expenditure plan on account of the sustained traffic growth at the Airport and conducted consultations with key stakeholders to obtain their approval for the Current Expansion to accommodate up to 34 million passengers per year (which we believe can be further increased to 40 million passengers per year with additional de-bottlenecking measures) and submitted our revised capital expenditure proposal to AERA as part of the third control period tariff order submission in July 2020.

Though the COVID-19 pandemic has significantly impacted passenger traffic at the Airport, we believe that domestic traffic will continue to recover, and at a rate faster than international traffic. Since the Airport primarily caters to domestic travelers, we believe that the relatively moderate overall traffic recovery expected by fiscal year 2022 and faster growth expected thereafter makes Current Expansion in sync with the projected traffic. CRISIL Research expects passenger traffic to grow at the Airport at a CAGR of 5.0% to 6.0% from fiscal year 2020 to fiscal year 2025 and reach 27.0 to 28.0 million in fiscal year 2025, with domestic traffic expected to outperform international traffic.

Although the Current Expansion was to be completed by March 2022, completion has been delayed by the prolonged lockdown in India caused by the COVID-19 pandemic, which resulted in migrant workers returning

home and additional delays in provisions of goods and the mobilization of the workforce and management following the lifting of the lockdown. The revised target completion date for the Current Expansion is September 2022. Since our contracts are fixed price contracts, there is no price escalation on account of potential delays in implementation by up to six months, except for interest accruing during the period of delay, which will have a bearing on the total project cost.

Develop the Airport into South and Central India's Gateway of Choice

A key driver of our revenue growth is passenger traffic. We are therefore committed to developing new air routes at our Airport by encouraging new airlines to call on the Airport and existing airline customers to add further routes to and from the Airport, with a particular focus on key international routes and airlines with high growth potential. Since March 31, 2018, we have added routes to Bhopal, Kannur, Vadodra, Jharsuguda, Gorakhpur, Nasik, Gwalior, Mysore Bagdogra, Udaipur, Hubli, Jagdalpur, Kishangarh, Imphal and Tiruchchirappalli. Due in part to our catchment area and centralized location, we believe that we are the preferred airport for travelers to south India as compared to other airports in south India such as Bangalore and Chennai.

We intend to enhance our market position as a transit point for domestic flights and promote Hyderabad as the preferred hub for immediately addressable markets and routes. Further, as airports under the Regional Connectivity Scheme become operational, we believe we are well placed to establish the Airport as a transit and transfer hub. Our transit and transfer passenger traffic in the last three years showed steady growth prior to the COVID-19 pandemic. For the fiscal years 2020, 2019 and 2018 and the six months ended September 30, 2020, transfer and transit passenger traffic accounted for 1.7%, 2.1%, 2.6% and 1.4%, respectively, of the total passenger traffic at the Airport. The geographic location of Hyderabad makes it suitable as a hub for domestic passenger traffic, especially as it provides easy access to and from various major cities in South and Central India. We have developed a comprehensive route development strategy, backed by our team of experienced professionals, with the goal of developing new routes, optimizing the scheduling of existing routes, building flight connections, attracting new airlines and increasing overall passenger traffic at Hyderabad. We are working closely with airlines to align their schedules of departures and arrivals to maximize connection options and minimize connecting times for passengers. We also aim to increase the number of aircraft based at the Airport by offering night parking and other facilities, and to establish routes serviced by larger aircraft to help increase passenger traffic.

We also aim to develop Hyderabad as a tourism gateway through the introduction of integrated tourism packages and collaborating with the tourism departments of neighboring states. For example, we have introduced loyalty programs for travel agents and route development initiatives with airlines for certain routes. We believe that these efforts will facilitate the development of additional routes and further increase passenger traffic and revenues.

Develop the Airport as a Preferred Logistics Hub

We seek to develop the Airport into an air traffic hub for cargo in India by pursuing several initiatives, including increasing traffic to the Middle East, Africa, China and Europe by developing new facilities such as perishable cargo, express cargo and trans-shipment facilities and expanding the domestic zone facilities, enhancing our air cargo logistics center to attract new freight forwarders, leveraging our state-of-the-art cargo terminal with advanced temperature-controlled facilities for the storage and handling of pharmaceutical products from receipt until dispatch to the aircrafts, and developing new revenue streams for renting warehouse and commercial cargo space.

We have developed the Cargo Village at the Airport, which includes an integrated cargo terminal with domestic, pharmaceutical and international zones within a single terminal. This integrated cargo terminal is

spread over an area of 15,000 square meters and has a cargo handling capacity of 150,000 metric tons per year. The Cargo Village also includes a cargo apron with three dedicated aircraft parking bays for freighters approximately 50 meters away from the cargo terminal, which enhances the quality of handling of freighters by avoiding temperature excursions and reducing turnaround time. The region has become a center for major pharmaceutical companies who have either developed or engaged in contract manufacturing. We believe the Airport can act as an important link in distribution chain for the transport of COVID-19 vaccines, which require a continuous cold chain logistics capability, and have begun collaborating with Dubai Airport to develop a dedicated corridor for the seamless transport of the vaccines produced in India for export. We are also constructing a second cargo terminal with an area of approximately 10,000 square meters and a cargo handling capacity of 50,000 metric tons per year, in connection with which we are engaging an additional cargo operator through competitive bidding. The Cargo Village has a dedicated cargo satellite building with warehousing space and offices for cargo agents, airlines and regulatory bodies, all available at a single facility proximate to the cargo terminal. In addition, Blue Dart operates a dedicated Domestic Express Terminal from the Cargo Village.

To strengthen our catchment connectivity, we have launched an "Air Freight Stations" initiative at Nagpur, Chennai, Goa and Vishakhapatnam to provide location convenience to our customers in these locations so that they can utilize our cargo infrastructure and services directly from their business regions. We have also linked several cities in South, Central and Western India through our "Road Feeder Services" initiative. We believe that these initiatives have demonstrated the quality of our infrastructure and connectivity and associated benefits of shipping through the Airport to customers within our catchment area, which has contributed to the consistent increase in our transit cargo in recent years.

We plan to leverage our Cargo Village and core cargo business to explore new cargo opportunities. We plan to further expand our capacity for pharmaceuticals with a dedicated "Pharma Zone" containing additional temperature-controlled warehouses, attract trunk route freighters and establish additional Free Trade Zones. Leveraging the growth of our airport city, we plan to ultimately establish an integrator hub, with a new express cargo terminal, additional bonded and non-bonded warehouses and a greenfield cargo airline based at the Airport.

Drive Growth in Commercial Property Development and Non-Aeronautical Operations Revenue

We earn revenue in our commercial property development segment from sub-leasing parcels out of our total land bank of approximately 1,500 acres. All land monetization activities are being undertaken through our wholly owned subsidiaries which in turn provide lease rent and revenue share to GHIAL. We are currently focused on increasing the percentage contribution from commercial property development and non-aeronautical operations to our overall operating revenue. The terms of our Concession also provide us with flexibility and control in developing non-aeronautical operations, which are generally not subject to government tariff regulation. These non-aeronautical operations, including various retail and food and beverage outlets in the Airport, advertising in Airport premises, the leases of commercial space such as offices and airline lounges, operation of car parks and retail operations consisting of the sale of dutiable and non-dutiable goods, are all provided through various partner concessionaires, subsidiaries and joint ventures. Non-aeronautical operations also include MRO services. Our non-airport activities comprise revenues from the commercial property development activities of our subsidiaries and revenue from hospitality services primarily attributable to our five-star rated Novotel Hyderabad Airport Hotel and Duty Free .

With the increasing consumer purchasing power in India, we believe there are significant opportunities to increase non-aeronautical operations revenue per passenger. We expect to focus on this objective through a range of initiatives, including:

- *Generate revenue from commercial property development*. We plan to continue to develop commercial property at the Airport in phases utilizing the 1,500 acres we have designated for commercial property

in the Master Plan. Our aim is to progressively develop a multi-product SEZ spread across 250 acres, a logistics park spread across 250 acres and a theme-based, anchor-led, mixed-use airport city spread across 1,000 acres. September 30, 2020, we have monetized approximately 194.5 acres of this land, including land leased to United Technologies Corporation India Pvt. Ltd. (Pratt & Whitney), Amazon Seller Services Private Limited, Casper Pharma Private Limited, Cronus Pharma Specialties India Private Limited, Schulich Business School, Decathlon, Turbo Jet Private Limited, Safran Electrical & Power India Pvt Ltd, Cyient DLM Pvt Ltd, Multisorb Technologies India Private Limited, Global Aerotech India Private Limited, GMR Air Cargo and Aerospace Engineering Limited and CFM Aircraft Engine Support South Asia Private Limited and, St Mary's Eduinfra Private Limited, Spicejet Limited and have also recently signed a joint venture for the establishment of a 66 acre logistics and industrial park at the Airport with our joint venture GLPPL.

The business environment in Hyderabad has been improving over the past few years with gradual economic recovery aided by the industry-friendly policies of the state government which has brought the likes of Amazon, Apple, Google and Microsoft to set up campuses in Hyderabad. With such ongoing developments in and around Hyderabad, the demand for land in our land bank has gained traction and is expected to contribute significantly to our revenues. Since the COVID-19 pandemic, our continued monetization is expected to be sluggish and the pandemic continues to hamper overall economic environment and driving contractions in demand.

- *Create stronger commercial focus*. We are in the process of optimizing our retail and other service offerings as increased floor space would be available in the terminal on account of Current Expansion. In connection with these initiatives, we are seeking to reorganize, reposition and diversify our retail, food and beverage and other commercial offerings in our Airport to maximize customer traffic and visibility and minimize the distance and processing times from retail or other shops to boarding gates. Some of the key initiatives that we have undertaken, or plan to undertake, include (i) the development of new retail spaces in underpenetrated areas at the Airport by designing and executing new projects, bringing in new brands and improving processes around concessionaire coordination, (ii) bringing new concessionaires onboard and tracking the sales performance of concessionaires through the improvement in account management, the implementation of close-ended Electronic Point of Sale ("EPOS") and closed-circuit television ("CCTV") systems and mystery audits and performance monitoring audits, (iii) utilizing visual merchandising and in-store promotions to improve impulse purchases with increased awareness and engagement with potential customers through social media, (iv) the introduction of new food and beverage offerings such as food festivals, take-away options and developing the food court, (v) encouraging the growth of the Airport as a leisure and destination venue by working on arena concepts, improving the leisure offerings at the Airport and promoting the activities at the Airport in the city and (vi) modifying the car park with a focus on the smooth entry and exit of vehicles through forecourt management and the introduction of valet and premium parking. We utilize extensive benchmarking through best practices learned from the leading airports in the world to enhance our optimization process. We are also working with our concessionaires to better differentiate and diversify our offerings in order to target the contrasting needs of full-service and LCC passengers and widen our overall product and services ranges to enhance passenger experience in our airports. Furthermore, we seek to promote our Airport branding through extensive marketing and communication of our products and services.

- *Enhance retail operations*. Through our subsidiary, we operate a full-range duty-free products business in the Airport. We are focused on enhancing the revenue contribution from our duty-free retail operations through initiatives including (i) the enhancement of brand and product offerings and the introduction of new categories of products beyond the core categories, (ii) improving the lay-out of our duty-free stores to better engage passengers, (iii) customizing offerings to better cater to target

customers, (iv) focusing on visual merchandising, marketing and communication to attract customers, (v) attracting festive celebrations, (vi) achieving efficient inventory management, (vii) rolling out in-store promotions and strategic product tie-ups and (viii) focusing on staff training and development. We can also leverage our existing infrastructure to offer additional services for parking, taxis and food and beverage offerings to drive additional revenue growth.

- *Enhance our business capabilities*. We seek to expand commercial airport operations by supporting better business decision-making methodologies through the improvement of our business intelligence analytics, point-of-sales data analysis, business relationship management and customer relationship management systems. We believe that enhancing our business management capabilities will allow us to leverage the expansion of our commercial operations infrastructure into compounding business growth.

We believe the above steps have resulted in a significant increase in revenue from non-aeronautical operations since the start of our Concession and we will continue to implement these strategies. Revenue from non-aeronautical operations was Rs. 7,141.2 million (US$96.8 million), Rs. 6,257.0 million and Rs. 5,088.5 million for fiscal years 2020, 2019 and 2018, respectively, accounting for 35.5%, 33.4% and 31.9% of our revenue from contracts with customers in those periods. Revenue from non-airport services was Rs. 939.0 million (US$12.7 million), Rs. 879.4 million and Rs. 785.5 million for fiscal years 2020, 2019 and 2018, respectively, accounting for 4.7%, 4.7% and 4.9% of our revenue from contracts with customers in those periods. For the six months ended September 30, 2020 and 2019, revenue from non-aeronautical operations was Rs. 1641.6 million (US$22.4 million) and Rs. 3,402.3 million, respectively, accounting for 56.3% and 33.6% of our revenue from contracts with customers in those periods. Revenue from non-airport services was Rs. 193.6 million (US$2.6 million) and Rs. 511.2 million for the six months ended September 30, 2020 and 2019, respectively, accounting for 6.6% and 5.0% of our revenue from contracts with customers in those periods. The decline in such revenue was attributable to the impact of COVID-19 pandemic.

Sustain Service Quality and Customer Experience

As the first Indian airport to be named "Best Airport in the World" among 5-15 million passenger size airports by the Airport Council International in 2009, 2010, 2016 and 2017, and the 2nd Best Airport in the Asia Pacific Region and also and Best Airport for Environment and Ambience among 15-25 million passenger size airports by the Airport Council International in 2019. We aim to continue to improve service levels and overall passenger satisfaction by working with our stakeholders and regulatory partners to introduce passenger friendly policies. The Airport's existing passenger throughput had exceeded the terminal capacity leading to capacity constraints during peak hours. In response, we undertook various de-bottlenecking measures such as including additional entry points to the terminal, re-orientation of security checkpoints, modification of the baggage handling system, kerb side expansion, ramp expansion, including additional remote gates by extending the bus lounge and de-peaking of passengers to maximize the utilization of our current facilities. Other initiatives include the introduction of an e-boarding facility and express security check facility for passengers travelling with hand baggage. These initiatives are expected to reduce waiting times for security checks, increase available time for retail activities and reduce our operating costs. We have taken several measures to continue to provide best-in-class experience to our passengers and mitigate the impact of our current construction on the quality of service. During the past one and half years, we have been working on the following projects to enable the Airport to effectively handle the growing traffic and airlines requirements while it embarks on the expansion works.

- *Interim International Departure Concourse*. We have increased capacity at the Airport by developing a single-storey processor building (interim international departure concourse), adjoining the existing terminal, for international departures. This facility has check-in, security, immigration and customs processing facilities for international passengers. This facility has 42 check-in counters, eight hold baggage screening machines, four automatic tray retrieval systems, one conventional hand baggage screening machine and 22 immigration counters and has been operational since October 2018.

- *Interim Domestic Arrival Concourse*. We have increased capacity at the Airport by developing a new single-storey processor building (interim domestic arrival concourse), adjoining the existing terminal for domestic arrival passengers. The facility has four baggage reclamation areas with a walkway for arrival passengers and has been operational since April 2019. This facility can handle an additional 1,200 peak arrival passengers.

- *Remote Parking Stands*. We have included an additional 26 remote parking stands which have been operational since December 2018.

- *Ramp Widening*. In order to handle increased vehicular movement at both the arrival and departure terminals, the existing ramp was widened in December 2018.

By aligning our airport infrastructure planning with the expected growth in passenger levels, we hope to satisfy the changing needs and expectations of passengers at the Airport. In addition to building a customer-focused organization, we are continually implementing initiatives to develop and train our human capital, including employee engagement and welfare initiatives, to ensure that we have the capabilities to deliver the highest service standards.

Further Enhance Operational Efficiency

In an effort to optimize the operating efficiency of the Airport, we have implemented several initiatives designed to manage costs while maintaining the quality of the airport experience. We intend to continue exploring and implementing similar initiatives in the future in order to improve our operational efficiencies, which we believe are already among the best in the airport industry. Examples of initiatives we have recently implemented that we intend to continue exploring in the future include the following:

- *Rationalizing energy consumption at the Airport*. The Airport has implemented various energy saving measures as part of its environmental sustainability management. The Airport has been designed with this energy conservation objective through the establishment of environment-friendly infrastructure like the LEED-certified passenger terminal building and energy efficient equipment and practices, including rainwater harvesting through a reservoir onsite. The Airport has also received the 5-Star Certification and the "Sword of Honor" from the British Safety Council. GHIAL has been operating the Airport by adopting best energy conservation practices with the involvement and support of the airport community. Further, we have commissioned a 10.0 MW solar power plant at the Airport which provides a portion of the Airport's energy requirements. These environmental-friendly practices have helped GHIAL to manage its carbon emissions and become a carbon neutral airport under the Airport Carbon Accreditation program. Our water conservation initiatives include two rainwater harvesting reservoirs we have built which are able to cater to Airport needs during dry seasons.

- *Improving air traffic movements and on-time performance*. We implemented certain recommendations such as reduction in runway occupancy time and inter-craft separation from an air traffic study we commissioned, which resulted in the increase of maximum ATMs per hour that we are able to handle from 30 in fiscal year 2012 to 36 in fiscal year 2020.

- *Maintaining effective headcount and controlling administrative expenses*. We are continuously assessing efficiency initiatives and targeting these measures to achieve economies of scale through the consolidation of our core corporate functions and administrative expenses. We will continue to analyze our headcount requirements as permitted by our operations in an effort to optimize efficiency without adversely affecting the airport experience.

- *Technological advancement*. Investment in technology has become an integral part of the Airport's operational strategy. Increased focus is given to embrace technology to offer smart solutions to the passengers to make the Airport technology and innovation driven. The Airport has been a pioneer in implementing the removal of hand-baggage tag stamping, express check-in and e-boarding for complete paperless travel in India. The Government of India is also keen on pursuing the "Digi Yatra" initiative which seeks to promote paperless and hassle-free air travel, and seamless and non-intrusive passenger-facing processes. We pioneered the elimination of hand baggage stamping initiative of MoCA before it gets rolled out across major airports in India. We also intend to introduce new technological solutions as part of the Current Expansion such as biometric face recognition, self-bag drop, Aviation Training Research Simulator ("ATRS"), e-boarding for international passengers and fast tag-based contactless car park, which we believe to be more cost effective and time efficient. We are the first airport in the country to successfully run trials of face recognition for end-to-end passenger processing under our Digi Yatra initiative. Currently, self bag drop trials are underway to promote self check-in service.

CORPORATE HISTORY AND STRUCTURE

Corporate History

As part of its policy to encourage private sector participation in the development of airport infrastructure, the Government of India granted its approval and support for the development of a greenfield airport through the public private partnership ("PPP") model. Following the invitation of bids for the airport project and an international competitive bidding process, the State Government selected a consortium led by the GMR Group as developer to design, finance, build, operate and maintain the Airport on a build, own and operate basis in July 2003.

To implement the airport project, the State Government incorporated an SPV company (the "SPV") named "Hyderabad International Airport Limited" on December 17, 2002 with government officials as directors and subscribers in the Memorandum of Association of the SPV and with an initial paid-up capital of Rs. 500,000 divided into 50,000 equity shares of Rs. 10 each. On September 30, 2003, a shareholders' agreement was entered into between the State Government, AAI, MAHB and GIL to record their agreement on the structure, scope, management and operation of the SPV and setting out their respective rights, obligations and relationship as shareholders and joint venture partners. AAI, MAHB and GIL became shareholders of the SPV by way of the transfer of existing shares/allotment of new shares, resulting in the following shareholding: GIL (63.0%), MAHB Mauritius Private Limited (11.0%), AAI (13.0%) and the State Government (13.0%). The name of the SPV was changed to "GMR Hyderabad International Airport Limited" with effect from November 29, 2005.

Under the Concession Agreement, we are responsible for the development, design, financing, construction, commissioning, maintenance, operation and management of the Airport, but we are permitted to sub-contract, sub-lease and license out certain functions, such as those related to non-aeronautical operations, which we have done so through our subsidiaries, joint ventures and third party concessionaires. See "—Our Concession" for further details. In addition to exercising overall management control and supervision of the Airport, we directly perform, among others, the following activities: vehicle rental service, travel agency, offices for freight consolidators/forwarders or agents and a bus terminal for local and regional buses.

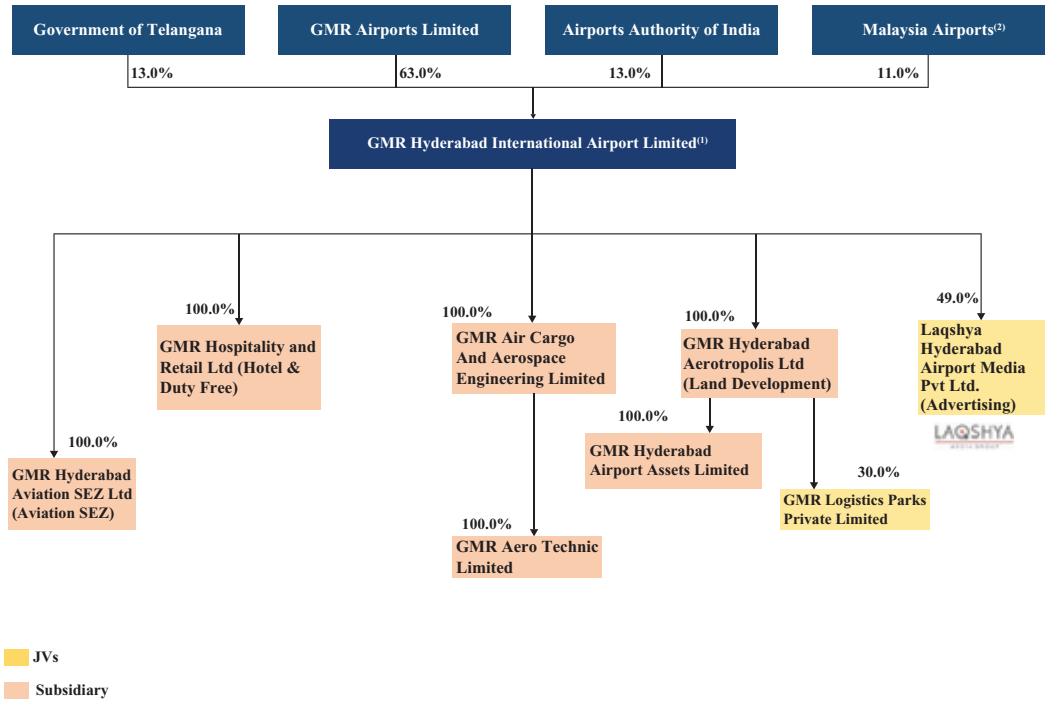
We have also entered into other agreements such as the SSA, the Land Lease Agreement and the CNS/ATM Agreement with the relevant authorities in relation to the operation of the Airport.

We commenced construction of the Airport in 2004 with the construction of the boundary wall followed by the first concrete pour shortly thereafter in 2005. In October 2006, construction of the air traffic control building

was completed and the first runway was commissioned. The Airport was inaugurated on March 14, 2008 and commenced commercial operations from March 23, 2008.

Corporate Structure

The chart below sets forth the corporate structure and ownership of GHIAL and its operating subsidiaries and joint venture as at December 31, 2020.



(1) GMR Infrastructure Limited also holds a nominal number of shares in GHIAL.

(2) Malaysia Airports refers to MAHB Mauritius Private Limited. Malaysia Airports Holding Berhad also holds a nominal number of shares in GHIAL.

For further information about our subsidiaries and joint venture, see "—Subsidiaries and Joint Venture."

THE MASTER PLAN

Our first Master Plan was prepared during 2004 and was submitted to MoCA on December 20, 2004 at the time of signing the Concession Agreement. As a result of significant changes in the socio-economic landscape and operational circumstances from the time of the first Master Plan which recommended the development of the Airport to cater for just five million passengers per year, the passenger capacity of the Airport was revised to seven million and subsequently 12 million passengers per year in the Master Plan.

The Master Plan represents the direction that GHIAL will take in the future, recognizing the strategic location of the Airport within an extended and expanding population within its vicinity. The Master Plan update has been developed using a technical review and consultative process with community and stakeholder input on issues that the Airport needs to address. Under the terms of the Concession Agreement, we are required to update and re-submit the Master Plan to the Government of India every five years or more frequently if justified by traffic growth or other reasons covering the anticipated demands. We made our last submission of the Master Plan to MoCA in fiscal year 2018, which included the Airport's developmental need in greater details for the

five-year period between fiscal year 2018 and fiscal year 2022 and the broad plans for the period between fiscal year 2019 and fiscal year 2039. In light of the growth of LCCs, higher traffic growth than was previously assumed, changes in flight and passenger demand and other factors, we may revisit the Master Plan in our next submission to MoCA consisting of indicative planning and implementation periods beyond 2022 for Phase 2A and Phase 2B.

The Airport handled passenger throughput at almost one and a half times its design capacity in fiscal year 2020. As passenger traffic at the Airport had exceeded the passenger capacity of the Airport, we embarked on a significant expansion at the Airport to increase passenger capacity through the construction of additional facilities, which we expect will contribute to an increase in both aeronautical revenues and non-aeronautical operations revenues once passenger traffic recovers from the COVID-19 pandemic. In response to the COVID-19 pandemic, we have introduced several measures at the Airport to instill confidence in passengers on the safety of the travel, such as contactless entry into the terminal where authentication may be verified by CISF through video, contactless CUSS with a web browser-based interface to enable passengers to check in through mobile, virtual customer information desks, contactless elevators based on infrared technology, Corona UV Oven to sanitize purchased articles, contactless food and beverage ordering and digital payment through HOI airport application. During the construction period, in order to address growth and to maintain the passenger experience In order to address growth and to maintain passenger experience, we have undertaken various de-bottlenecking measures such as including additional entry points to the terminal, re-orientation of security checkpoints, modification of the baggage handling system, kerb side expansion, ramp expansion, including additional remote gates by extending the bus lounge and de-peaking of passengers to improve both terminal and airside capacities. These measures are sweating our existing infrastructure to its hilt while we embark on the Current Expansion.

The Current Expansion, comprising the Phase 1B Expansion and the Phase 1C Expansion, entails expansion of the Airport to increase passenger capacity to 34 million passengers per year (which we believe can be further increased to 40 million passengers per year with additional de-bottlenecking measures) from the initial design capacity of 12 million passengers per year. In connection with the Current Expansion, we will expand the terminal and associated facilities to augment annual passenger processing capacity in order to meet the demand of the projected traffic growth. The Current Expansion includes, among others, (i) the addition of a modular expansion to the east and west sides which will more than triple the size of the existing terminal, (ii) pier expansion (east and west side), (iii) apron expansion for stands and excess taxi provisions and (iv) modification of the departure forecourt and ramp modification. We are implementing the Current Expansion through multiple contracts with major responsibility for terminal and airside developments given to Larsen & Toubro Limited and Megawide Construction Corporation. The prolonged lockdown in India caused by the COVID-19 pandemic has delayed the project completion schedule by 6 months from the previously targeted completion date of March 2022.

We currently estimate the total capital expenditures required for the Current Expansion to be approximately Rs. 68.3 billion, of which approximately Rs. 30 billion has been expended as at September 30, 2020 and the remainder is expected to be made over the next 24 months. We expect to finance such capital expenditures through the gross proceeds from the offering of the Notes, cash on hand and cash flows from operations. There can be no assurance that we will have sufficient funding for the Current Expansion. We will seek to manage our increased leverage and debt servicing needs by capturing additional revenue through increased passenger traffic, if and when traffic levels recover, and by preserving our existing cash flow by minimizing disruptions to existing passenger traffic and promptly executing the construction plan for the Current Expansion. We believe that a successful implementation of the Current Expansion will allow us to capture additional revenue through increased tariff rates and increased passenger traffic, if and when traffic levels recover. In connection with AERA's review of the capital expenditures for the Current Expansion, we conducted consultations with key stakeholders to obtain their approval for the Current Expansion to accommodate up to 34 million passengers per year (which we believe can be further increased to 40 million passengers per year with additional

de-bottlenecking measures) and submitted our revised capital expenditure proposal to AERA. AERA has appointed RITES to independently evaluate the cost of the Current Expansion for its consideration. There can be no assurance that AERA will agree with our capital expenditure proposal or approve it as proposed when determining our aeronautical tariff. Any disallowance by AERA of a part of our capital expenditure or delay by AERA in giving effect to our capital expenditure proposal during the tariff-setting process may have an adverse impact on our cash flows and our ability to service our debt, including the Notes.

The de-bottlenecking measures contemplate (i) further modular expansion of the existing terminal to accommodate new check-in counters, baggage claim units and contact stands and (ii) additional parking stands and car parking facilities. We expect that once the rapid exit taxiway is made available post expansion, the ATM would be further enhanced to 45 ATMs per hour.

THE AIRPORT

The Airport operates 24 hours daily and one of the busiest airport in India in terms of passenger traffic, ranking sixth for fiscal year 2020 and fourth for the six months ended September 30, 2020, according to data compiled by AAI. The Airport serves Hyderabad, which is the fourth most populous city in India and currently the joint capital of Telangana and Andhra Pradesh, making it an aviation hub for the region. Hyderabad is developing a regional infrastructure that is expected to tie the Airport to the regional population of approximately 6.8 million. The Airport is strategically located in central India, and is well-positioned with the majority of India's territory reachable within two hours' flight time and the major population centers of the Middle East, Central and Southeast Asia reachable within five hours' flight time. Pre-COVID-19, the Airport was emerging as a leading aviation hub in South and Central India. In fiscal year 2020, the Airport served 26 airlines operating connections to 70 destinations, comprising 16 international destinations and 54 domestic destinations. As at September 30, 2020, the Airport served 16 airlines operating connections to 57 destinations, comprising 6 international destinations (operated through flight bubble arrangements) and 51 scheduled domestic destinations.

In fiscal year 2020, the Airport served 21.6 million passengers, as compared with approximately 45.9 million, 67.3 million, 32.4 million, 22.3 million and 22.0 million passengers served by the airports in Mumbai, Delhi, Bangalore, Chennai and Kolkata, respectively, according to AAI, and also supported 143,884 metric tons of cargo traffic and accounted for 183,450 ATMs.

In the six months ended September 30, 2020, the Airport served 1.9 million passengers, as compared with approximately 1.9 million, 5.3 million, 2.4 million, 1.0 million and 1.6 million passengers served by the airports in Mumbai, Delhi, Bangalore, Chennai and Kolkata, respectively, according to AAI, and also supported 45,809 metric tons of cargo traffic and accounted for 24,725 ATMs.

The following tables set forth certain statistical data relating to passenger and cargo traffic, ATMs and our revenue for the periods indicated.

	Six months ended September 20,		Year ended March 31,		
	2020	2019	2020	2019	2018
Passenger Traffic (in millions of persons)					
Domestic passengers	1.8	8.8	17.7	17.4	14.5
International passengers	0.1	2.0	3.9	4.0	3.7
Total passengers	**1.9**	**10.9**	**21.6**	**21.4**	**18.2**
Revenue from user development fees and passenger service fees (in millions of Rs.)[1]	159.6	3,692.4	7,095.1	7,102.8	6,293.1
Percentage of total revenue[2]	4.2%	34.5%	33.2%	35.5%	35.9%
Cargo Traffic (in metric tons)					
Domestic cargo	17,278	30,551	61,413	60,172	54,964
International cargo	28,531	42,255	82,471	83,954	79,177
Total cargo	**45,809**	**72,806**	**143,884**	**144,126**	**134,141**
Revenue from cargo operations (in millions of Rs.)	346.4	471.8	912.1	954.2	920.9
Percentage of total revenue[3]	9.1%	4.4%	4.3%	4.8%	5.3%
Air Traffic Movements (ATMs)					
Domestic	22,229	76,931	157,691	153,721	124,786
International	2,496	12,977	25,759	25,885	24,795
Total ATMs	**24,725**	**89,908**	**183,450**	**179,606**	**149,581**

(1) We use user development fees and passenger service fees as a measure of direct revenue from passenger traffic.
(2) Represents percentage of revenue from user development fees and passenger service fees to total revenue.
(3) Represents percentage of revenue from cargo operations to total revenue.

International passengers accounted for 5.8% and 18.8% of our total passenger traffic for the six months ended September 30, 2020 and September 30, 2019, respectively. For fiscal years 2020, 2019 and 2018, international passengers accounted for 18.1%, 18.6% and 20.3%, respectively, of our total passenger traffic. Of the international passengers that came through the Airport during the fiscal year 2020 and fiscal year 2019, 45% and 48%, respectively, were from Middle East, 21% and 18%, respectively, were from North America, 19% and 18%, respectively, were from Asia, 9% and 8%, respectively, were from Europe, 5% and 7%, respectively, were from other regions. In accordance with the tariffs set by AERA, we have historically received higher landing charges from airlines for international flights than domestic flights, and collected higher user development fees from international passengers than domestic passengers.

The total number of passengers using the Airport from fiscal year 2018 through fiscal year 2020 was 18.2 million, 21.4 million and 21.6 million, respectively. From fiscal year 2009 through fiscal year 2020, the total number of passengers at the Airport grew at a CAGR of 9.2%, as compared with a CAGR of 9.7%, 1.2%, (2.7)%, 5.2% and 4.6% for the airports in Bangalore, Delhi, Mumbai, Kolkata and Chennai, respectively, according to AAI. In fiscal year 2020, the Airport accounted for 6.3% of the total passengers in India, while the airports serving Delhi, Mumbai, Bangalore, Chennai, Kolkata and Cochin accounted for 19.7%, 13.5%, 9.5%, 6.5%, 6.5% and 2.8%, respectively, according to AAI.

For fiscal years 2018, 2019 and 2020, the total number of transit and transfer passengers using the Airport was 0.5 million, 0.4 million and 0.4 million, respectively, which accounted for approximately 2.6%, 2.1% and 1.7%, respectively, of all passenger traffic.

For the six months ended September 30, 2019 and 2020, the total number of transit and transfer passengers using the Airport was 0.2 million and 0.03 million, respectively, which accounted for approximately 1.7% and 1.4%, respectively, of all passenger traffic.

Transit and transfer passengers are an indicator of an airport's function as an aviation hub and provide opportunities for us to increase revenues from duty-free, retail and food and beverage services. As transit and transfer passengers do not typically use our check-in counters and certain other facilities which origination and destination passengers use, the costs associated with handling increased numbers of transit and transfer passengers is generally lower than for origination and destination passengers. We believe that the Airport's central location and efficient operational track record positions it well to become one of the main air travel hubs in India.

The Airport is located on approximately 5,492 acres and 26 guntas of land, of which we have designated 1,500 acres for commercial property development in the Master Plan. The Airport was commissioned within a period of 31 months from the commencement of construction and became commercially operational on March 23, 2008 with an initial capacity of 12 million passengers per year and 150,000 metric tons of cargo handling capacity per year. The Airport has a main runway which is code-F compliant, 4,260 meters long and 60 meters wide (including the paved shoulders) which can accommodate code-F aircrafts and a secondary runway which is 3,707 meters long and 45 meters wide which can be used for the operations of code-E aircrafts. The main runways can accommodate 36 peak hour movements. The Airport has facilities and infrastructure which are in line with ICAO standards and practices to handle large aircrafts and international traffic. The Airport's facilities include one cargo terminal and one passenger terminal with a total of 60 check-in counters (including common user terminal equipment ("CUTE"), common-use self-service ("CUSS"), non-baggage and baggage counters) and 42 aircraft parking stands, comprising 30 remote stands and 12 aerobridges. The Airport houses a 13,500 kiloliter fuel farm facility that operates on an "open access" fuel policy where any oil marketing company ("OMC") under a contract with an airline can supply fuel using this facility. Under the current system prevalent in India, only an OMC with its own facility at the respective airport can supply the fuel. This leads to duplication of infrastructure as multiple OMCs set up their facilities at each of the airports. The advantages of an "open access" model adopted by the Airport over the prevalent system in India are (i) it leads to substantial savings in infrastructure costs for OMCs and (ii) it increases competition among OMCs leading to better prices for airlines. The current phase of our long-term Master Plan, the Current Expansion, entails expansion of the Airport to increase passenger capacity to 34 million passengers per year from the current passenger capacity of 12 million passengers per year. The Airport has the flexibility to increase capacity to accommodate up to 80 million passengers per year and 1,000,000 metric tons of cargo per year. Such expansion is proposed to be developed in a phased manner in line with the growth in passenger traffic.

We have also developed the Cargo Village at the Airport, which includes an integrated cargo terminal with domestic, pharmaceutical and international zones within a single terminal. This integrated cargo terminal is spread over an area of 15,000 square meters and has a cargo handling capacity of 150,000 metric tons per year. We have granted to GMR Air Cargo and Aerospace Engineering Limited, our wholly-owned subsidiary, the right to operate and maintain the cargo terminal by concessioning out the cargo operations to this subsidiary. The Cargo Village also includes a cargo apron with three dedicated aircraft parking bays for freighters approximately 50 meters away from the integrated cargo terminal, which enhances the quality of freight handling by avoiding temperature excursions and reducing turnaround time. In addition to these facilities, the Cargo Village also includes a dedicated domestic express terminal operated by Blue Dart and a dedicated cargo satellite building with offices for cargo agents, airlines, regulatory bodies and warehousing space adjacent to the cargo terminal. The Airport one of the busiest airport in India in terms of passenger traffic, ranking sixth for fiscal year 2020 and fourth for the six months ended September 30, 2020, according to data compiled by AAI. From fiscal year 2009 (when the Airport began commercial operations) to fiscal year 2020, the amount of cargo handled at the Airport as measured in metric tons has increased at a CAGR of 9.3%. The majority of cargo traffic through the Airport is

international. For the six months ended September 30, 2020 and 2019 and fiscal years 2020, 2019 and 2018, international cargo accounted for approximately 62.3%, 58.0%, 57.3%, 58.3% and 59.0%, respectively, of cargo traffic through the Airport. We earn significantly more revenue per metric ton on international cargo as compared to domestic cargo, with yields per ton of Rs. 6,148 and Rs. 3,049, respectively, for the six months ended September 30, 2020. With state-of-the-art facilities like temperature-controlled unit load device, air freight station and road feeder service network providing multi-modal transport connectivity, we believe that the Airport is well-positioned to become the logistics hub for India and the South Asia region.

The Airport is also India's only airport-based free-trade zone, which provides companies an opportunity to undertake trading, distribution, minor assembly, value additions such as packaging and labelling and warehousing for effective re-export of commodities with facilities for sorting, grading, kitting and repacking.

Located at Shamshabad, Hyderabad between NH7 and Srisailam Highway, the Airport is connected to parts of South-central India by NH7 and Srisailam Highway and the city by the Outer Ring Road, an eight-lane expressway encircling the entire city, and by the PV Narasimha Rao elevated road to the city center. The government has also announced plans to connect the Airport to the city through the MMTS, suburban rail link and Hyderabad metro rail. The Airport has surface car parking with a capacity of 3,200 cars.

For fiscal year 2020, regularly-scheduled direct flights departing from the Airport were available to 70 locations, including 16 international destinations and 54 domestic destinations, and 26 passenger airlines used the Airport, including major global carriers in each of the three major passenger airline alliances, Star Alliance, Sky Team and Oneworld. IndiGo offers the largest number of routes to and from the Airport. Other major airlines utilizing the Airport include British Airways, Cathay Pacific, Emirates, Etihad, Fly Dubai, Gulf Air, Malaysian Airlines, Oman Air, Silkair, Thai Airways and Qatar Airways, among others, each of which operates international flights. Domestic routes are served primarily by Indigo, SpiceJet, Air India, Air Asia India, Truejet, Go Air and Vistara. See "—Our Sources of Revenue—Main Aeronautical Services Customers" for more information.

As a result of our management's continued efforts, coupled with that of our partners, the Airport and/or GHIAL have been recognized by several industry observers and have earned a number of awards, including the following:

- Ranked number one in 2009, 2010, 2016 and 2017, number two in 2012 and 2013 and number three in 2011, 2014 and 2015 for "Best Airport in the World" among 5-15 million passenger size airports by the Airport Council International;

- World #4 ASQ ranking in 15-25 MPPA category in 2018;

- Second position in the Best Regional Airport in India and Central Asia" at the SKYTRAX World Airport Awards 2020;

- ACI Airport Health Accreditation in 2020 for prioritizing health and safety measures;

- Best Airport Staff Service Awards (India / Central Asia categories) at the SKYTRAX World Airport Awards 2020;

- LEED "silver" rating for the Airport's eco-friendly design;

- 5-star certification and the "Sword of Honor" from the British Safety Council;

- Level 3 accreditation by ACI in relation to airport carbon emission;
- First place in the "Large Scale—Service" category of the CII SR 5S Excellence Award 2015;
- "ASSOCHAM 2nd Corporate Governance Excellence Award" in 2015 and 2016—as runner up under Unlisted Private Sector Company of Less than Rs. 5 billion Turnover category;
- "Best Management Award" from the Government of Andhra Pradesh;
- "Active Customer Engagement Award" in the inaugural edition of "CII Award for Customer Obsession 2016";
- "Golden Peacock Environment Management Award" in 2015;
- "Golden Peacock Business Excellence Award 2017" under the "Large Scale Industry—Transportation—Aviation" category;
- Our cargo subsidiary, GMR Air Cargo and Aerospace Engineering Limited (cargo division, formerly known as Hyderabad Menzies Air Cargo Private Limited), received the award for "Best Cargo Terminal Workforce 2016" at the Warehousing Excellence Awards;
- 15th National Award for Excellence in Cost Management 2017 and 16th National Award for Excellence in Cost Management 2018 from Institute of Cost Accountants of India;
- Excellent Energy Efficient Unit Award at the 19th National Award Ceremony for 'Excellence' in Energy Management;
- CII- Green Power Excellence Award 2020 in the "Ground Mounted Solar" category;
- Green Airports Silver Recognition award by ACI (Airport Council International) in 2019;
- Asia-Pacific HR Excellence Bronze Recognition by ACI (Airport Council International) in 2019;
- FTCCI (Federation of Telangana Chambers of Commerce and Industry) Excellence Award for "Excellence in Corporate Social Responsibility (CSR);
- National Energy Leader Award by CII in 2019 and 2020;
- Excellent Energy Efficient Unit by CII Smart Cargo Airport of the Year by Maritime Gateway;
- Gold Category Recognition based on the Business Excellence Maturity Assessment Program;
- 4 star Recognition in CII-EHS Excellence Award;
- The Institute of Company Secretaries of India (ICSI) 3rd CSR Excellence Award 2018 for Best Corporate (Emerging Category);
- Gold Award in Telangana State Energy Conservation Awards- 2020;

- "Golden Peacock Award for Corporate Social Responsibility 2017" under Transportation—Aviation" category;
- Our MRO Subsidiary received CII (Confederation of Indian Industry) Southern Region 5S Excellence Award 2018-19;
- Our MRO Subsidiary received certificate for completing 500 C Checks from AERO MRO India; and
- Featured among top 10 airports globally in 2019 Annual Ratings for passenger experience (on-time performance, service quality and food & shopping options) by AirHelp.

OUR SOURCES OF REVENUE

Our revenue from contracts with customers is derived from revenue from sale of contracts with customer, including (i) revenue from aeronautical operations, which comprises user development fees, passenger service fees, landing charges, parking and housing charges and common infrastructure charges, revenue from cargo operations, including a full scope of cargo handling services encompassing both physical handling as well as documentation services, revenues from fuel farm infrastructure fees, fuel farm throughput fees, ground handling services and are regulated by AERA, (ii) revenue from non-aeronautical operations, which comprises revenue earned by us from non-aeronautical operations including, among others, our duty free stores at the Airport, aircraft MRO services, revenue sharing arrangements with our joint venture, Laqshya Hyderabad Airport Media Private Limited, which provides advertising services at the Airport, rent and/or revenue sharing from leasing of terminal space, retail goods and services, food and beverage, car park, car rental services, automated teller machines, lounge rental fees, foreign exchange counters and others), and (iii) revenue from non-airport services which includes (a) revenue from commercial property development and (b) revenue from hospitality services attributable to our five-star rated Novotel Hyderabad Airport Hotel, which is managed and operated by AAPC India Hotel Management Private Limited (part of the Accor Group). In order to align the classification of major revenue streams as per the tariff set under the 2020 AERA Order, we reclassified the revenue streams accruing to fuel farm, ground handling and cargo handling services under the aeronautical revenue during fiscal year 2020. These revenue streams prior to fiscal year 2020 were classified as non-aeronautical revenue under the audited financial statements. However, for the purpose of comparability across all periods in this offering memorandum, we have presented revenues from fuel farm, ground handling and cargo handling services pertaining to fiscal year 2019 and fiscal year 2018 under aeronautical revenues. See "Management's Discussion and Analysis of Financial Position and Results of Operations—Components of our income and expenditures—revenue."

Revenue from aeronautical operations was Rs. 1,079.1 million (US$14.6 million), Rs. 6,222.1 million, Rs. 12,044.5 million (US$163.2 million), Rs. 11,624.1 million and Rs. 10,060.8 million for the six months ended September 30, 2020 and 2019 and fiscal years 2020, 2019 and 2018, respectively, accounting for 37.0%, 61.4%, 59.8%, 62.0% and 63.1% of our revenue from contracts with customers in those periods. Revenue from non-aeronautical operations was Rs. 1,641.6 million (US$22.2 million), Rs. 3,402.3 million, Rs. 7,141.2 million (US$96.8 million), Rs. 6,257.0 million and Rs. 5,088.5 million for the six months ended September 30, 2020 and 2019 and fiscal years 2020, 2019 and 2018 respectively, accounting for 56.3%, 33.6%, 35.5%, 33.4% and 31.9% of our revenue from contracts with customers in those periods. Revenue from non-airport services was Rs. 193.6 million (US$2.6 million), Rs. 511.2 million, Rs. 939.0 million (US$12.7 million), Rs. 879.4 million and Rs. 785.5 million for the six months ended September 30, 2020 and 2019 and fiscal years 2020, 2019 and 2018, respectively, accounting for 6.6%, 5.0%, 4.7%, 4.7% and 4.9% of our revenue from contracts with customers in those periods.

Aeronautical Services

Under the current tariff structure applicable to the Airport, our aeronautical services consist of user development fees, passenger service fees, landing charges, parking and housing charges and common

infrastructure charges. All aeronautical charges are assessed and paid to us in Indian Rupees. When determining our aeronautical charges, AERA takes into account our forecasts for traffic, our operating costs, capital expenditures, depreciation expenses and tax expenses, as well as our revenues from non-aeronautical operations and our desired return on capital. In addition, AERA may take into account viewpoints from government agencies, the airline industry and passenger advocacy groups as well as other public policy considerations. AERA's determinations for our aeronautical charges are for a "control period" of five years, following which AERA may increase or decrease our aeronautical charges for the subsequent five-year control period. See "Indian Regulatory Environment—The Airports Economic Regulatory Authority of India Act, 2008" and "—Our Concession" for further details about the regulation of aeronautical services.

In the first control period spanning fiscal years 2011 through 2016, AERA had passed an order on February 24, 2014 determining the tariff structure of GHIAL to be based on a single till methodology with a significant reduction in the target aeronautical revenue. This was mainly on account of adoption of a single till, consideration of return on equity at 16.0%, disallowance of pre-control period entitlement for the period (when AERA was not in existence), disallowance of capitalization of foreign exchange loss and consideration of cargo, ground handling and fuel farm services as part of aeronautical services. The order further contended that due to over-recovery of user development fees and passenger service fees (facilitation component) by us in the initial three years of the first control period, we were not eligible to recover such fees for the remaining two years in the first control period. We filed a writ petition challenging the single till methodology adopted by AERA, consideration of return on equity at 16.0%, disallowance of pre-control period entitlement for the period (when AERA was not in existence), disallowance of capitalization of foreign exchange loss and consideration of cargo, ground handling and fuel farm services as part of aeronautical services with the Honorable High Court at Hyderabad. Following this, MoCA issued directions under section 42(2) of the AERA Act and directed AERA to adopt a hybrid till with 30.0% cross subsidization from GHIAL's standalone non-aeronautical revenue for the determination of our tariff in respect of the Airport and consequently, the Directorate General of Civil Aviation, through aeronautical information circular ("AIC") dated November 3, 2015, restored our user development fee and passenger service fee (facilitation component) at the rates existing before April 1, 2014. As a result of this order of AERA, our revenue from aeronautical services for fiscal year 2015 and part period of fiscal year 2016 experienced substantial declines as compared to the prior years of the first control period.

AERA issued a consultation paper dated December 19, 2017 proposing to have consultations with stakeholders in respect of the determination of aeronautical service charges for the second control period, which was stayed by the Honorable High Court at Hyderabad. However, to facilitate the implementation of the second control period tariff and the timely implementation of the third control period tariff, we filed a withdrawal petition for the matter before the Honorable High Court at Hyderabad, which was granted on February 25, 2020. As a result, the 2020 AERA Order implemented the proposal in the consultation paper issued by AERA dated December 19, 2017 for the second control period, resulting in a substantial drop in our revenues and negatively impacting our results of operations for fiscal year 2021 and beyond, should the expected implementation of the third control period tariff be delayed past April 2021.

Such variations in our revenue due to the amount and timing of AERA's rate determinations may lead to substantial volatility and unpredictability in our results of operations and could make period-on-period comparisons of our results of operations potentially misleading. See "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Risk Factors—Risks Related to Our Business—The fees we charge for aeronautical services—which comprise a significant portion of our revenues—are regulated by the Government of India, through AERA, in accordance with the terms of our Concession Agreement. Accordingly, government regulations and the terms of our Concession Agreement have materially affected our historical results of operations, cash flows and financial condition, and will continue to affect our future results of operations, cash flows and financial condition, which could be materially and adversely affected by the to-be-announced rate determinations for our aeronautical services. Further, the 2020 AERA Order pertaining to

the second control period resulted in a substantial drop in aeronautical charges and negatively impacted our results of operations."

Our major claims with respect to the first control period tariff, such as recovery of pre-control period entitlement, recovery of foreign exchange loss as operating expenses, treatment of revenue generated from cargo, ground handling and fuel farm services as non-aeronautical revenue were not considered by AERA in the first control period tariff order, hence we approached the High Court of Judicature at Hyderabad and obtained an order on October 17, 2019 relegating the matter to the Telecom Disputes Settlement and Appellate Tribunal ("TDSAT"), the appellate body, to dispose of the matter expeditiously. Consequently, TDSAT disposed of the matter by passing an order dated March 3, 2020, by remitting the open issues to AERA for reconsideration, and allowing AERA to issue interim/ad hoc directions for the purpose of regulating UDF until another tariff order is issued. Pursuant to this, the 2020 AERA Order dated March 27, 2020 was passed. See "—Legal Proceedings."

User development fees and passenger service fees are charged to each departing passenger. These fees vary depending on whether the passenger's flight is international or domestic and if the passenger is transferring to another flight. Landing charges are assessed on airlines for each flight that lands at the Airport and vary depending on whether the flight is international or domestic and the weight of the aircraft. We charge landing fees on all aircrafts with a maximum certified seat capacity of over 80 seats. Common infrastructure charges are collected for usage of common infrastructure such as CUTE counters, CUSS terminals, aerobridges, visual docking guidance systems and baggage reconciliation systems on a per passenger basis for international airlines and on a per passenger or per flight basis for domestic airlines at their option. Pursuant to the 2020 AERA Order, which is effective for the second control period, common infrastructure charges were discontinued and new charge, ICT charges, were been initiated. Parking and housing charges are also assessed on airlines and are calculated based on the weight of the aircraft and the duration of the aircraft's stay at the Airport.

Aeronautical Revenues also include revenues from Cargo Operations**.** Revenue from cargo operations is derived primarily from (i) GMR Air Cargo and Aerospace Engineering Limited, our wholly-owned subsidiary, for which we have granted the right to operate and maintain the cargo terminal by concessioning out the cargo operations to this subsidiary and (ii) the other businesses comprising our Cargo Village**.**

The table below sets forth the volume of cargo traffic at the Airport for the given periods.

	Six months ended September 30,		Year ended March 31,		
	2020	2019	2020	2019	2018
Cargo Traffic (in metric tons)					
Domestic cargo	17,278	30,551	61,413	60,172	54,964
International cargo	28,531	42,255	82,471	83,954	79,177
Total cargo	**45,809**	**72,806**	**143,884**	**144,126**	**134,141**

Aeronautical revenues also include revenue share received from the ground handling concessionaires operating at the airport as the concession fee.

We also collect fuel infrastructure charges which is a per kiloliter based fixed charge billed to oil companies.

Aeronautical revenues also include rental income earned from the lease of commercial space to cargo freight forwarders and agents.

We invoice the airlines operating at the Airport on a bi-monthly basis for aeronautical charges, including the user development fees which they collect directly from passengers and transfer to us. The airlines provide us with bank guarantees, security deposits or both to cover certain amounts of the aeronautical charges they owe us. In certain circumstances, we may require airlines to pay us in cash prior to the departure of each flight all aeronautical charges owed to us for such flight. See "Risk Factors—Risks Related to Our Business—We are exposed to certain credit risks and we may be unable to collect on our receivables."

The tables below set forth the amount of revenue and percentage of total revenue derived from each type of aeronautical service for the given periods.

	Six months ended September 30,				Year ended March 31,					
	2020		2019		2020		2019		2018	
	(millions of Rs. except percentages)									
Revenue from Aeronautical Services										
Landing & Parking Charges	240.7	22.3%	694.1	11.2%	1,399.1	11.6%	1,369.4	11.8%	1,209.8	12.0%
User Development Fee & Passenger Service Fee	159.6	14.8%	3,692.4	59.3%	7,095.1	58.9%	7,102.8	61.1%	6,293.1	62.6%
ICT charges	51.8	4.8%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Common Infrastructure Charges[1]	2.7	0.3%	318.2	5.1%	619.0	5.1%	634.0	5.5%	552.5	5.5%
Fuel Farm[2][3]	136.1	12.6%	735.3	11.8%	1,392.9	11.6%	1,442.7	12.4%	979.4	9.7%
Ground handling[3]	32.8	3.0%	170.6	2.7%	344.3	2.9%	121.0	1.0%	105.1	1.0%
Cargo revenues[3]	346.4	32.1%	471.8	7.6%	912.1	7.6%	954.2	8.2%	920.9	9.2%
Ohers	109	10.1%	139.7	2.2%	282.0	2.3%	0.0	0.0%	0.0	0.0%
Total	**1,079.1**	**100.0%**	**6,222.1**	**100.0%**	**12,044.5**	**100.0%**	**11,624.1**	**100.0%**	**10,060.8**	**100.0%**

(1) With effect from April 1, 2020, common infrastructure charges have been discontinued and ICT charges at US$1.25 per departing passenger has been initiated.

(2) With effect from January 15, 2020, we no longer levy the fuel farm throughput fees.

(3) In order to align the classification of major revenue streams as per the 2020 AERA Order dated March 27, 2020, we reclassified the revenue streams accruing to fuel farm, ground handling and cargo handling services under the aeronautical revenue which prior to fiscal year 2020, were classified under non-aeronautical revenue in our audited consolidated financial statements.

Non-Aeronautical Services

Revenue from non-aeronautical operations comprises revenue earned by us from non-aeronautical operations including, among others, duty free and retail, revenue sharing arrangements with our joint venture, Laqshya Hyderabad Airport Media Private Limited, which provides advertising services at the Airport, food and beverages, parking, land and space rentals, aircraft MRO services and others including car rental services, automated teller machines, lounge rental fees, foreign exchange counters. None of our non-aeronautical operations is subject to tariff structures set by AERA, although 30.0% of our revenue from non-aeronautical operations on a standalone basis is included among the building blocks used by AERA in determining our aeronautical charges. See "Indian Regulatory Environment—The Airports Economic Regulatory Authority of India Act, 2008" for further details. The charges for our non-aeronautical operations are determined bilaterally between our subsidiaries and/or joint ventures and the third party concessionaires.

Although fuel farm, ground handling and cargo handling charges are typically considered aeronautical services and are listed as such in the AERA Act, we believe that our Concession Agreement classifies them as non-aeronautical services. These charges are determined bilaterally between our subsidiaries and/or joint ventures and the third-party concessionaires.

We have granted concessions, sub-leases and licenses to our subsidiaries, joint ventures or third parties to provide most of our non-aeronautical. See "—Subsidiaries and Joint Venture" and "Related Party Transactions"

for more information about our subsidiaries and joint venture. The fee structures under the concession and licensing arrangements with our subsidiaries, joint ventures and third party operators are based on a revenue-sharing model and fluctuate according to their revenue, subject to minimum monthly guarantees that each subsidiary, joint venture and third-party operator must pay us. Through our equity investments in our subsidiaries and joint venture, we also receive dividend income from our subsidiaries and joint venture, in addition to revenue sharing under their respective concession or licensing arrangements. Most of our shareholder and/or joint venture agreements include rights of first refusal and standard termination provisions, and we may be required to contribute additional capital in certain circumstances to maintain our current shareholding percentages. Unlike the revenue sharing model under our concession and licensing arrangements, the rental fees we collect from the leasing of terminal space, ground-handling services, car rental services and automated teller machines and lounges rent are fixed with annual escalations. All of our revenue from non-aeronautical operations is in Indian Rupees.

We have adopted several initiatives focused on increasing our revenue from this segment. For example, we have expanded and reconfigured the commercial space available in the Airport's terminals and also redirected the flow of passengers through the Airport so as to increase passengers' exposure to the duty-free, retail and other services available at the Airport. The Airport has approximately 18,034 square meters of space available for retail shops and other services. Similarly, we have entered into sub-concessions with established, internationally recognized businesses, ensuring abundant service offerings for food and beverage and retail outlets available to passengers. Most of our food and beverage and retail agreements include terms for fixed revenue sharing and/or minimum alternate guarantee arrangements.

Maintenance, Repair and Overhaul

Our wholly-owned subsidiary, GMR Air Cargo and Aerospace Engineering Limited ("GACAEL"), provides airframe maintenance services such as C-checks for narrow-bodied aircrafts such as the Airbus A320, Boeing B737-NG, ATR 42/72 series and Bombardier Q400 from our 25-acre MRO facility located within the multi-product SEZ, thereby saving aircraft downtime for airline companies. GACAEL also provides line maintenance support at the Airport which includes transit checks and any aircraft-on-ground support. GACAEL has signed airframe maintenance contracts with Indigo, GoAir, AirAsia and Oman Airlines.

We have the capability to conduct airframe maintenance for aircraft manufactured by Boeing, Airbus and Bombardier, and we have received the certification of foreign and domestic certifying agencies, including DGCA, EASA, the Federal Aviation Administration (the "FAA"), the Myanmar Department of Civil Aviation, the Civil Aviation Authority of the Cayman Islands, the Department of Civil Aviation of Malaysia, the Ministry of Transportation and Telecommunications of the Kingdom of Bahrain, and the Public Authority for Civil Aviation of the Sultanate of Oman. The certification process for each agency and adherence to the same is stringent and subject to suspension or cancellation under certain circumstances. See "Risk Factors—Risks Related to our Business—Our business is subject to extensive and evolving Indian law and regulations" and "Risk Factors—Risks Related to our Business—Our MRO business faces substantial and increasing competition" and "Risk Factors—Risks Related to our Business—The joint review and audit reports from our independent joint auditors in respect of our consolidated financial statements contain certain qualification(s) and/or emphasis of matters" for further details.

Duty Free Services

Revenue from non aeronautical operations include revenue attributable to our wholly-owned subsidiary, GMR Hospitality and Retail Limited (formerly known as GMR Hotels and Resorts Limited) ("GHRL"), which has a retail division which develops, operates, maintains and manages duty free outlets within the terminal. GHRL sells a variety of different "duty free" product categories, including liquor, tobacco, cosmetics, perfumes, confectionery, souvenirs and fashion accessories.

The tables below set forth the amount of revenue and percentage of total revenue derived from our non-aeronautical operations for the given periods.

	Six months ended September 30,				Year ended March 31,					
	2020		2019		2020		2019		2018	
	(Rs. in millions, except percentages)									
Revenue from Non-Aeronautical Services										
Duty Free	60.7	3.7%	841.4	24.7%	1,752.6	24.5%	1,581.8	25.3%	1,188.6	23.4%
Retail	27.7	1.7%	229.8	6.8%	522.6	7.3%	401.8	6.4%	320.7	6.3%
Advertisement	41.9	2.6%	185.9	5.5%	381.3	5.3%	361.1	5.8%	404.1	7.9%
Food and beverages	40.7	2.5%	239.9	7.1%	500.8	7.0%	427.8	6.8%	329.6	6.5%
Parking	49.4	3.0%	360	10.6%	811.3	11.4%	581.8	9.3%	495.7	9.7%
Land and space—Rentals	197.6	12.0%	373.6	11.0%	474.2	6.6%	624.9	10.0%	636.0	12.5%
MRO services and others	1,223.6	74.5%	1,171.7	34.4%	2,698.4	37.8%	2,277.8	36.4%	1,713.8	33.7%
Total Non-Aeronautical	**1,641.6**	**100.0%**	**3,402.3**	**100.0%**	**7,141.2**	**100.0%**	**6,257.0**	**100.0%**	**5,088.5**	**100.0%**

Non -Airport Services

Revenues from non airport services comprises of revenues from commercial property business and revenue from hospitality services

Commercial Property Development

Revenue from commercial property development includes lease rental fees from developers who are developing commercial properties at the Airport. Under the Land Lease Agreement, the State Government has leased us 5,492 acres and 26 guntas of land for the development of the Airport in accordance with the Concession Agreement along with the exclusive right to develop (or sub-lease the land for) non-airport activities on the site, of which we have designated 1,500 acres for commercial property development in the Master Plan. Under our Master Plan, we have identified the following segments for developing such property at the Airport: (i) commercial office (IT), (ii) commercial office (non-IT), (iii) retail, (iv) hospitality, (v) a logistics park and (vi) convention and exhibition centers.

Commercial property development at the Airport is being undertaken in phases through two of our subsidiaries, GMR Hyderabad Aviation SEZ Limited and GMR Hyderabad Aerotropolis Limited. Our aim is to progressively develop a multi-product SEZ spread across 250 acres, a logistics park spread across 250 acres and a theme-based, anchor-led, mixed-use airport city spread across 1,000 acres.

- The multi-product SEZ currently houses, among others, (i) our MRO facility, which covers 25 acres and includes three bays and (ii) a training center with CFM International, an aircraft engine manufacturer. We plan to develop a world-class Aerospace Park through an "outsourcing model" which will include airframe and engine MROs, manufacturing of components and sub-systems as well as design, engineering and technical support services, and aim to leverage the advantages of clustering several aviation industry segments. The approval was granted to GHIAL on July 26, 2007 and transferred to GHASL on March 3, 2010.

- We plan to develop the logistics park as a cargo trans-shipment hub through an "outsourcing model".

- We plan to develop a 1,000-acre airport city comprising of the following:

    - Healthport—Multi-specialty hospital focused on medical tourism as the anchor/co-developer as well as research, clinical trial, medical education and training facilities.

- Commercial District—Convention center and exhibition facility as the anchor/co-developer as well as office space, hotels, restaurants and supporting retail facilities.

- Funport—Amusement park with destination retail and a multi-purpose arena as the anchor.

- Eduport—International business school and an international school as anchors, supporting retail and sports facilities.

As at September 30, 2020, we have monetized approximately 194.5 acres of this land. The table below sets forth the details of some of our key existing commercial tenants:

Tenant	Area Leased (acres)	Category
GHRL (Subsidiary)	17.47	Hospitality
SAS Applied Research	0.07	Industrial-Warehousing
Turbo Jet Engines	1.54	Component MRO
Pratt & Whitney	1.00	Industrial-Training
SAAZ Imaging Systems Pvt. Ltd	1.00	Industrial-Production
CFM Training	0.97	Industrial-Training
GAE Main Land & GAT Apron Land (Subsidiary)	16.46	Airframe MRO
Global Aerotech India Pvt. Ltd.	0.50	Industrial-Warehousing
Cyient DLM Private Ltd	10.19	Industrial-Production
Schulich Business School	1.10	Education
Decathlon	2.00	Retail
Amazon Seller Services Pvt. Ltd.	17.00	Warehouse
Casper Pharma Pvt. Ltd.	13.00	Industrial-Production
Cronus Pharma Specialties India Pvt. Ltd.	10.00	Industrial-Production
Multisorb Technologies India Pvt. Ltd.	1.94	Industrial-Production
Flight Simulation Training Center	1.00	Industrial-Training
Safran Electrical & Power India Pvt Ltd (SEP)	3.18	Industrial-Production
Coldcare Logistics Pvt Limited	2.00	Warehouse
Safran Aircraft Engines Hyderabad Private Limited	10.01	Industrial-Production
Amazon Phase II	6.37	Warehouse
GLPPL	66.00	Warehouse
St. Mary's Eduinfra Pvt Ltd	10.00	Education
Spicejet Limited	1.60	Industrial-Warehousing
Revenue fashions and life style LLP	0.14	Warehousing
Total	**194.54**	

Hospitality Services

Revenue from hospitality services is attributable to GHRL, which owns the five-star rated Novotel Hyderabad Airport Hotel which is located on five acres of land and is managed and operated by AAPC India Hotel Management Private Ltd. (part of the Accor Group) under the Novotel Brand pursuant to a management agreement dated September 21, 2018.

Main Aeronautical Services Customers

The Airport serviced airlines operating connections to 16 international and 54 domestic destinations in fiscal year 2020. As at September 30, 2020, regularly-scheduled direct flights departing from the Airport were

available to 51 domestic destinations with 8 domestic passenger airlines using the Airport and only 8 international airlines operated under flight bubble arrangements on 6 international routes with limited frequency.

Our top five aeronautical services customers by revenue contribution are Interglobe Aviation Limited (which operates IndiGo flights), Emirates Airlines, Air India Limited and Spice Jet Limited and Bharat Petroleum Corporation Limited (fuel farm services). Revenue from aeronautical operations includes landing, parking and common infrastructure charges, which are collected from the airlines, and user development fee and passenger service fee (facilitation component), which is collected by the airlines on behalf of the Company from the passengers, ICT charges, revenues from ground handling, cargo and fuel farm services. For the six months ended September 30, 2020 and fiscal year 2020, (i) our top five aeronautical services customers accounted for 60.7% and 56.9% of our revenue from aeronautical operations (on a standalone basis), respectively, and 38.5% and 42.2% of our revenue from contracts with customers (on a standalone basis), respectively, and (ii) our largest aeronautical services customer, Interglobe Aviation Limited, accounted for 27.9% and 28.3% of our total revenue from aeronautical operations (on a standalone basis), respectively, and 17.7% and 21.0% of our revenue from contracts with customers (on a standalone basis), respectively.

The table below sets forth our top ten aeronautical service customers for the given periods.

	Six months ended September 30,		Year ended March 31,		
	2020	2019	2020	2019	2018
	(Rs. in millions)				
Customers					
Indigo	227.80	1,441.71	3,201.47	2,905.42	2,259.53
GMR Air Cargo Division	85.92	—	—	—	—
Bharat Petroleum Corporation Ltd	84.93	472.17	913.47	859.03	507.57
Air India Sats	39.20	151.39	289.83	—	—
Indian Oil Corporation Ltd	31.95	212.75	386.34	362.83	270.19
Blue Dart Aviation Pvt Ltd	30.78	—	—	—	—
Celebi Airport Services	22.72	—	—	—	—
Emirates Airlines	19.90	441.86	827.91	823.18	810.89
Spice Jet Airline	44.02	369.02	774.89	808.72	755.92
Air India	53.24	367.61	722.43	795.43	770.54
GO Airlines (INDIA) Limited	—	222.07	471.79	361.15	—
Airasia India Ltd	—	192.28	434.57	340.44	258.32
Etihad airways	—	163.23	312.49	—	292.31
Jet airways	—	—	—	319.47	497.33
Oman	—	—	—	293.03	263.84

Main Non-Aeronautical Services Customers

Our key standalone non-aeronautical service customers revenues from our car park (which is managed by Tenaga Parking), revenues from Laqshya Hyderabad Airport Media Private Limited, our 49.0%-owned joint venture which provides advertising services at the Airport and HMS Host Services, which provides food and beverage services in the terminal building and revenues from airlines using our MRO services. We also earn revenues from numerous concessionaires, including airline lounges, forex services, food and beverage outlets and retailers.

OUR CONCESSION

Our exclusive rights to operate, maintain and develop the Airport and the rights and obligations of AAI, the Government of India, the State Government and other state bodies in respect of the Concession are provided in a series of agreements executed between 2003 and 2005. In addition to Concession Agreement, the other primary concession agreements include the Land Lease Agreement, the SSA and SHA. The following summaries set forth certain key terms of these agreements.

Concession Agreement

We entered into the Concession Agreement in December 2004 with the Ministry of Civil Aviation of the Government of India, pursuant to which we were granted the exclusive right and privilege to operate, maintain, develop, design, construct, commission, finance and manage the Airport, as well as perform certain aeronautical and non-aeronautical operations at the Airport, as more fully described below. Specifically, the Concession Agreement provides that GoI recognizes our exclusive rights to:

- carry out any activity or business related or ancillary to the operation, maintenance, development, design, construction, commissioning, financing and management of the Airport or which we consider desirable or appropriate to be carried on or engaged in connection therewith (including any infrastructure service);

- carry out any activity or business in connection with or related to the arrival, departure and/or handling of aircraft, passengers, baggage, cargo and/or mail at the Airport;

- carry out any activity or business in connection with or related to the development or operation of the Airport to generate revenue including the development of commercial ventures such as hotels, restaurants, conference venues, meeting facilities, business centers, trade fairs, real estate, theme parks, amusement arcades, golf courses and other sports and entertainment facilities, banks, exchanges and shopping malls; and

- contract or sub-contract with third parties to undertake functions on our behalf and sub-lease or license the land and facilities leased to us in accordance with the Concession Agreement, *provided* that the grant of such rights will not absolve us of any of our responsibilities, duties and obligations under the Concession Agreement.

The rights granted to us under the Concession Agreement do not include the right to carry out activities related to customs, immigration, quarantine, security, meteorological services, navigation, surveillance and air traffic management services. The rights to perform such services have been retained by GoI (AAI, DGCA, BCAS, Department of Immigration of the Ministry of Home Affairs, Department of Customs of the Ministry of Finance or any other subdivision or instrumentality thereof). Any variation to the scope of rights conferred under the Concession Agreement may only be made subject to the mutual agreement of the parties and applicable law.

Master Plan

For further details, see "—The Master Plan."

Term

The term of the Concession Agreement is 30 years beginning on March 23, 2008 (the "Airport Opening Date") until March 23, 2038 (the 30th anniversary of the Airport Opening Date), with an option to extend the

term for an additional 30 years, which we have already exercised. Upon our exercise of the right of extension and commencing on the expiry of the 55th anniversary of the Airport Opening Date, we must mutually agree the revised terms and conditions of the extended Concession Agreement by March 23, 2065 (the expiry of the 57th anniversary of the Airport Opening Date), failing which, (i) the Concession Agreement will expire on March 23, 2068 (the 60th anniversary of the Airport Opening Date) and GoI or its nominee will acquire all of our rights, title and interests to the Airport, and (ii) GoI may negotiate a new concession agreement with third parties on terms no more favorable than those offered to us.

Indemnification

In the Concession Agreement, we have agreed to bear sole responsibility for any cost, expense, loss, liability or damage suffered or incurred by any Airport user or any other person arising out of or in connection with the design, construction, maintenance and operation of the Airport and the provision of non-aeronautical activities without recourse to GoI, to the extent that such cost, expense, loss, liability or damage arises as a result of our negligence (or the negligence of our employees, servants and agents). GoI has agreed to indemnify us, up to an aggregate amount of Rs. 1 billion, against (i) claims related to any breach or default under provisions relating to (a) the allocation of slots to airline operators, (b) operating the Airport during both daytime and night time hours (including permitting the take-off and landing of aircrafts) or (c) the imposition of any charge or fee in respect of any facilities and/or services at the Airport or in respect of the movement of passenger or vehicular traffic at the Airport; and (ii) any change in law that causes us to suffer a financial burden, loss, liability or damage exceeding Rs. 10 million in any financial year (and in which no proposed amendment to address such change in law was agreed to between the parties). "Change in law" is broadly defined to include, among others, (1) the enactment of any new Indian law, (2) the amendment, modification or repeal of any existing Indian law, and (3) a material change in the terms and conditions, or imposition of new terms and conditions, applicable to any outstanding consents, licenses, approvals, permits and other authorizations or permissions.

Airport Economic Regulatory Authority ("AERA") and Tariffs

The Government of India established AERA in May 2009 as the economic regulatory authority responsible for the regulation of aeronautical tariffs and other matters for certain airports in India, including the Airport. See "Indian Regulatory Environment—The Airports Economic Regulatory Authority of India Act, 2008" for further information about AERA.

Under the regulatory system, AERA sets the specific prices for aeronautical services of the Company in the form of tariffs for five-year "control periods." The primary components to be used by AERA in setting the aeronautical tariffs at the Airport are returns on the asset base, fair rate of return, operating costs, depreciation, taxes and 30.0% of the gross revenue generated from non-aeronautical operations on a standalone basis. Through considering those factors, AERA determines the net present value of our target aeronautical revenue requirement for each control period, which equals the net present value of our projected revenue from aeronautical operations according to the relevant traffic forecasts and aeronautical services rates over the same period, and then sets the tariffs based on that target.

The formula AERA uses to calculate our target revenue is presented below:

$$ARR_t = (RAB_t \text{ X } FROR) + O_t + D_t + T_t - S_t$$

Where:

ARRt	=	Aggregate revenue requirement for year t.
RAB_t	=	Aeronautical regulatory asset base for year t, excluding capital works in progress to the extent that they are not capitalized.
FROR	=	Fair rate of return for the control period.
O_t	=	Aeronautical operation and maintenance expenditure for year t, which include all expenditure incurred by the airport operator towards aeronautical activities, including expenditure incurred on statutory operating costs and mandatory operating costs.
D_t	=	Depreciation corresponding to the aeronautical regulatory asset base for year t.
T_t	=	Tax in year t, which includes payments by the airport operator in respect of corporate tax on income from assets/amenities/facilities/services taken into consideration for determination of ARR for year t.
S_t	=	30.0% of the revenue generated by the airport operator from the non-aeronautical services at the airport for year t.

While determining the user development fee for subsequent control periods, AERA considers providing a 'true-up' or a 'claw back' to account for the differences in the projections for each building block underlying the tariff determination made for the prior period against the actual figures for each year in the prior period. These building blocks include regulated asset base, weighted average cost of capital, depreciation, operating and maintenance costs and taxes, as well as key variables such as passenger traffic, ATM levels, non-aeronautical revenues and allocation of capital expenditure incurred towards regulated asset base. AERA computes the impact on ARR of differences in the actual values of each building block of the prior period as compared to the estimates or projections of the building blocks of prior period. Based on the future value attributable to any differences on the applicable FROR for the prior period, AERA adds to or subtracts from ARR when determining the tariff for the subsequent period. Accordingly, we expect that AERA will allow us recover losses of previous control period (including the current control period) attributable to these building blocks through allowance of a higher ARR (for example, through higher user development fees, landing fees or parking fees) when determining tariff for the subsequent control period. See "Risk Factors—Risks Related to our Business—Our revenue is highly dependent on levels of air traffic, which depend in part on factors beyond our control, including economic and political conditions and the regulatory environment" for further details.

Government of India Services and Obligations

Under the terms of the Concession Agreement, GoI agreed to provide, or cause to provide, services related to customs, immigration, quarantine, meteorology and security, in addition to navigation, surveillance and air traffic management services, at the Airport during the Concession period. We, in turn, agreed to provide the necessary operational space, at no cost, and back office space, at the Airport in order for the GoI to perform such services, as well as the required security systems and equipment. Any variation to the scope of activities to be performed by us and the GoI, respectively, under the Concession Agreement may only be made subject to the mutual agreement of the parties and applicable law.

Further, as part of the support services and incentives provided to us by GoI for the development of the Airport, GoI has agreed that it shall not permit the development, improvement or upgrade of any new or existing international or domestic airport within a radius of 150 kilometers of the Airport at any time before the 25th anniversary of the opening date of the Airport. In addition, GoI has also agreed to endeavor to grant all

clearances that are within its direct control which are required for or in connection with the Airport within a time period ending on the later of (i) the end of the relevant statutory period (if any) and (ii) 45 days after the relevant application has been duly submitted by us, our shareholders or our respective contractors, servants or agents.

Performance Standards

We are responsible for ensuring that passengers at the Airport are satisfied with their overall traveling experience. As required under the Concession Agreement, we participate in IATA surveys and ensure that a survey is conducted each year in accordance with IATA's requirements. In the event we fail to achieve a rating of 3.5 (in the current IATA scale of 1 to 5) for three consecutive surveys, we will be required to produce an action plan to improve the Airport's performance and implement such plan within one year. If we still fail to achieve a rating of 3.5 following the implementation of the action plan, GoI may direct us to produce and implement a further action plan to improve the Airport's performance within one year. Should we fail to produce such an action place or if we continue to be rated below 3.5, GoI shall have the right to impose liquidated damages and/or give directives to the Joint Coordination Committee (formed under the Concession Agreement) to assist us in improving our rating. The amount of any liquidated damages payable shall be agreed between the parties taking into account factors leading to a drop in ratings, and shall be payable into an Airport development fund set up for the purposes of funding improvements at the Airport at the direction of GoI.

In the event the Airport continues to be rated lower than 3.5 in the two years following the date that we first become liable to pay such liquidated damages due to our poor performance in the passenger surveys, GoI shall have the right to terminate the Concession Agreement. However, if GoI terminates a concession agreement in respect of any major airport (with a capacity of 1.5 MPPA) with a rating lower than 3.5 (but not lower than 3) as the rating threshold for the purposes of terminating the concession agreement with GoI, then such lower rating shall also apply to us.

We achieve passenger satisfaction by monitoring our Airport's performance through conducting annual passenger surveys using the criteria set out by the Airport Council International—Airport Service Quality Passenger Satisfaction Survey Program (the "ASQ Survey"), which replaced the IATA Global Airport Monitor program in 2005 but provides ratings based on the IATA scale of 1 to 5.

Maintenance of Insurance

The Concession Agreement requires us to maintain appropriate insurance policies to cover loss or damage to property, third party liability and a workmen's compensation policy during the operation phase of the Concession. See "—Property and Insurance—Insurance" for further details about our insurance policies.

Fees to GoI

In consideration for GoI granting us the Concession, we agreed to pay GoI an annual concession fee throughout the term of the Concession equal to 4.0% of our standalone pre-tax gross revenue, excluding (i) payments made (if any) for services undertaken by GoI related to customs, immigration, quarantine, security and meteorological services under the Concession Agreement, (ii) insurance proceeds, (iii) any amount accruing from the sale of any capital assets or items, (iv) payments and or monies received in respect of air navigation and air traffic management services, and (v) payments and/or monies collected for and on behalf of the relevant governmental authorities under applicable law, for each financial year. We have agreed with the Government of India to defer payment of the annual concession fee in respect of the first 10 financial years after the Airport Opening Date to the 11th financial year after the Airport Opening Date, to be paid in 20 equal half-yearly instalments. The annual concession fee in respect of the 11th financial year after the Airport Opening Date and

each succeeding financial year thereafter will be payable annually in arrears. We began making payments of the half-yearly instalments of such deferred fees on June 30, 2018. However, the Government of India has yet to confirm our calculation of the concession fee payable. No interest shall be levied or due in respect of any annual concession fee payable by us to GoI, including the deferred payments, unless such payment is late, in which case a default interest at the State Bank of India Prime Lending Rate plus 2% shall apply.

Due to our incurring operational cash losses during the six month ended September 30, 2020 due to the COVID-19 pandemic and the uncertain outlook for the recovery of traffic at the Airport, in order to preserve our liquidity and prepare ourselves for future uncertainties, we asked the Government of India for a two-year extension for the payment of concession fees due between June 2020 to December 2020. We are currently in discussions with the Government of India on the two-year extension. See "Risk Factors—Risks Related to Our Business—Our concession fee payable to the Government of India may be higher as a result of, inter alia, the adoption of Ind-AS. We have not yet paid our concession fee that was due on December 31, 2020 as we are in discussions with the Government of India regarding an extension of time for payment due to COVID-19."

Charges

The Concession Agreement permits us, the AAI and any third party service provider appointed by us to determine and impose any charge or fee in respect of the provision of any facilities or services at the Airport or in respect of the movement of passenger or vehicular traffic at the Airport, except for services and facilities in respect of which regulated charges are levied (such as parking charges, passenger service fees and user development fees).

Assignment and Security

Under the terms of the Concession Agreement, we may not assign the Concession Agreement or pledge as security our interests in the Concession Agreement or any right or obligation arising under or pursuant to it or any benefit or interest in it. We may only assign and transfer our rights and obligations under the Concession Agreement for the purposes of providing security to our Lenders if GoI does not object within 10 days after being notified of such transfer and assignment.

Applicable Law and Disputes

The Concession Agreement is governed by and construed in accordance with the laws of India. The parties to the Concession Agreement agreed to use their reasonable endeavors to settle any disputes amicably, with any unresolved disputes to be finally determined by arbitration under the Indian Arbitration and Conciliation Act, 1996 and in accordance with the UNCITRAL rules (the "Rules") by a tribunal of three arbitrators, appointed in accordance with the Rules. Delhi will be the venue of any arbitration.

Our Ownership Structure

The Concession Agreement places certain restrictions on the transfer, pledge and dealing in our equity shares. GMR and MAHB were required to subscribe to and hold at least 45% shareholding until the expiration of the third year of the Concession period, and in no event less than 26% shareholding until the seventh year of the Concession period. Similarly, the State Government and AAI were required to subscribe and hold at least 26% shareholding until the seventh year of the Concession period. Beginning in the eighth year of the Concession period, our initial shareholders are allowed to transfer shares more freely, subject to the assignment and security provisions of the Concession Agreement. See "—Our Concession—Financing Arrangement and Security" for further details about the assignment and security provisions under the Concession Agreement.

Force Majeure

Under the terms of the Concession Agreement, if we or GoI are unable to perform our respective obligations under the Concession Agreement due to a force majeure event, we or GoI, as applicable, are entitled to suspend or excuse such performance. Any party claiming a force majeure event must give notice to the other party and take steps to mitigate the effects of such an event. Force majeure is defined in the Concession Agreement as any act, event or circumstance or a combination of acts, events and circumstances which are beyond the control of the affected party and which the affected party could not have prevented by Good Industry Practice (as defined in the Concession Agreement) or by the exercise of reasonable skill and care in relation to the construction of any facilities, and which, or any consequences of which prevent, hinder or delay in whole or in part the performance by any party of its obligations under the Concession Agreement. The Concession Agreement lists certain events and circumstances as potentially constituting a force majeure if they occurred within, or affected, India, such as acts of war, invasion, revolution, riot, terrorism, lightning, earthquake or other extreme adverse weather or environmental conditions, loss or serious accidental damage to the Airport, epidemic and the occurrence of a crash, explosion, fire or other disaster involving an aircraft during landing, parking, servicing or taking-off, among others, and specifies that a strike, lock-outs or other industrial action or labor disputes involving any party or its contractors or their respective sub-contractors, servants or agents, in any such case employed on the execution of work or the supply of goods or services within India, constitutes a force majeure event. Failure or inability to make any payment or the effect of market conditions unless such market conditions were themselves caused by or were a result of a force majeure event are excluded from the purview of force majeure events under the Concession Agreement, however an act, event or circumstance referred to as an exclusion which primarily affects a third party or third parties (including without limitation the construction contractor or operator of the Airport or an affiliate) of a party which prevents, impedes or delays a party in the performance of its obligations, shall constitute force majeure under the Concession Agreement with respect to such party as appropriate if and to the extent that it is of a kind or character that, if it had happened to the party wishing to rely on such an event, would have come within the definition of force majeure event defined under the Concession Agreement.

Events of Default

Summarized below are the primary events or circumstances, to the extent not caused by a default of GoI or a force majeure, that, among others, constitute our events of default under the Concession Agreement if not cured within various stipulated cure periods (each a "GHIAL Event of Default"):

- any material breach by us of our obligations under the Concession Agreement;
- a transfer of shares or voting rights by any of our shareholders in breach of the restrictions in the Concession Agreement;
- a suspension by us to operate (whether by act or omission) for more than 14 consecutive days or for an aggregate of more than 30 days in any calendar year without the written consent of GoI;
- any sum due and payable by us under the Concession Agreement is not paid;
- an order is made or a resolution is passed for our liquidation, bankruptcy or dissolution;
- a breach of any material representation or warranty given by us in the Concession Agreement is incorrect; and
- any failure by us to operate and maintain the Airport to certain service standards.

Summarized below are the primary events or circumstances, to the extent not caused by a default on our part or a force majeure, that, among others, constitute events of default of GoI under the Concession Agreement following various cure periods (each an "GoI Event of Default"):

- any material breach by GoI of its obligations under the Concession Agreement;
- a breach of any material representation or warranty given by us in the Concession Agreement is incorrect;
- If the aggregate outstanding claims made by us related to (i) the breach or default from the allocation of slots to airline operators, (ii) operating the Airport during both daytime and night time hours (including permitting the take-off and landing of aircrafts), (iii) the imposition of any charge or fee in respect of any facilities and/or services at the Airport or in respect of the movement of passenger or vehicular traffic at the Airport; or (iv) a change in law that causes us to suffer a financial burden, loss, liability or damage exceeding Rs. 10 million (and in which no proposed amendment to address such change in law was agreed to between the parties), exceeds Rs. 1 billion; and
- if the CNS/ATM Agreement is terminated at the direction of GoI.

Termination under the Concession Agreement

If a GHIAL Event of Default occurs, GoI has the right to notify of such event and require us to remedy it within 120 days, failing which GoI may issue to us a notice of termination of the Concession Agreement. In the event GoI exercises its right to terminate the Concession Agreement, GoI will acquire all our rights, title and interests in and to the Airport and in any Non-Airport Activities (which GoI opts to take over) by making payment, which shall be no later than 180 days following issue of such termination notice, of an amount equal to 100% of the Debt (as defined above), plus the value of our Non-Airport Activities which GoI opts to take over, less any insurance monies received by us or due and paid to us in respect of claims made since the occurrence of the GHIAL Event of Default which led to termination. Any applicable transfer costs and taxes shall be borne by us in the event of a GHIAL Event of Default. See "Risk Factors—Risks Related to Our Business—The Government of India may impose liquidated damages on us and/or terminate the Concession Agreement under certain circumstances."

If a GoI Event of Default occurs, we have the right to notify GoI of such event and require them to remedy it within 120 days, failing which we may issue to GoI a notice of termination of the Concession Agreement. In the event we exercise our right to terminate the Concession Agreement, GoI will acquire all our rights, title and interests in and to the Airport and in any Non-Airport Activities (which GoI opts to take over) by making payment, which shall be no later than 180 days following issue of such termination notice, of an amount equal to the higher of (i) the Settlement Amount or (ii) 100% of the Debt (as defined below), less any insurance monies received by us or due and paid to us in respect of claims made since the occurrence of the GoI Event of Default which led to termination, plus transfer costs and taxes, if applicable. "Settlement Amount" is defined under the Concession Agreement to mean (i) the gross fixed assets, (ii) the net current assets, (iii) the capital work in progress, (iv) intangible assets of GHIAL and (v) pre-operating costs and expenses as may be incurred by GHIAL prior to the Airport Opening Date as recorded in the last quarterly balance sheet of GHIAL at the date of the relevant termination notice. "Debt" is defined under the Concession Agreement to include the outstanding debt payable to our "Lenders" under the financing agreements relating to the development and operation of the Airport. "Lenders" is defined under the Concession Agreement as the financial institutions, banks, non-banking financial company ad similar bodies to whom debt is owed under the financing agreements for financing of the development and expansion of the Airport. See "Risk Factors—Risks Related to Our Business—The Government of India may impose liquidated damages on us and/or terminate the Concession Agreement under certain circumstances."

State Support Agreement

Pursuant to the Concession Agreement, we entered into a state support agreement (the "SSA") in September 2003 with the State Government. Under the terms of the SSA, the State Government agreed to, among others, (a) provide and handover physical, vacant, peaceful, unencumbered possession of approximately 5,000 acres of land for the construction of the Airport, (b) provide financial support in the form of development grants and interest free loans with deferred payment terms, (c) convert and maintain existing access roads to and from the Airport, namely NH7, as well as using best efforts to procure the provision of an appropriate railway connection and safe, efficient and regular modes of public transport to and from the Airport, (d) provide sufficient utility services to the Airport, such as water and electricity, (e) be solely responsible for the rehabilitation and resettlement of any affected or displaced persons as a result of any land acquisition by the State Government in connection with the Airport, and (f) provide us with all consents, licenses, approvals, permits and other authorizations or permissions required from the State Government under applicable law that we properly apply for and that are required for or in connection with the Airport. The effective period of the SSA is co-terminus with the Concession Agreement, and it has the same applicable law and similar dispute resolution clauses as the Concession Agreement.

Indemnification

Under the SSA, the State Government has agreed to indemnify us, for any claims that exceed of Rs. 10 million, and which relate to (i) any breach of or default of the SSA and the Land Lease Agreement by the State Government which materially and adversely affects our rights under the SSA, (ii) the commission by the State Government of any action that would result in us being treated less favorably than any other operator in India or, with respect to the Airport, less favorably than any other airport or project in India, (iii) the failure by the State Government to grant, revoke or attach to any consents, licenses, approvals, permits and other authorizations or permissions required by us or any of our contractors, servants or agents; or (iv) the failure by the State Government to enact any new law or issue or impose any new directive in respect of tax relating to exemption from stamp duty, registration charges, property tax, inland air travel tax, foreign travel tax and the ability charge user development fee, or (v) a change in law that causes us to suffer a financial burden, loss, liability or damage exceeding Rs. 10 million (and in which no proposed amendment to address such change in law was agreed to between the parties). "Change in law" is broadly defined to include, among others, (a) the enactment of any new Indian law, (b) the amendment, modification or repeal of any existing Indian law, (c) a material change in the terms and conditions, or imposition of new terms and conditions, applicable to any outstanding consents, licenses, approvals, permits and other authorizations or permissions, and (d) any act of omission by the State Government which materially and adversely affects our rights under the SSA.

Default by the State Government under the SSA

If the State Government is in breach of its obligations under the SSA which results in the termination of the Concession Agreement, we have the right to notify GoI of such event and require them to remedy it within 30 days, failing which the State Government shall pay to us the State Government Default Amount within 15 days of the expiry of the 30 day period, which amount shall be reduced by an amount equal to the indemnification amount paid by the State Government in respect of any breach or default by the State Government which is the same as that leading to the results from a State Government default event. The State Government Default Amount is an amount in the aggregate of (i) such outstanding debt and interest as is not repaid by GoI under the Concession Agreement, (ii) all transfer costs, transfer taxes and contingent liabilities under the project agreements and financing agreements, and (iii) the fair market value of our equity shares as on the date of default as determined by a reputable chartered accountant who has not been engaged by either the State Government or us in the last five years.

Termination of SSA

The SSA is co-terminus with the Concession Agreement and will terminate immediately upon termination of the Concession Agreement.

Shareholders Agreement

Pursuant to the Concession Agreement, we entered into a SHA in September 2003 with the State Government, AAI and our other initial shareholders, namely, GMR Infrastructure Limited. and Malaysia Airports Holdings Berhad, providing for the terms and conditions that govern their respective rights as our shareholders and their respective responsibilities regarding our management.

Future Capitalization

Under the terms of the SHA, the initial shareholders are required under certain circumstances to contribute additional capital pro rata, or as otherwise agreed, beyond their initial subscriptions in our share capital.

Rights of First Refusal and Right of First Offer

In the event we decide to issue any new shares, except for shares issued on a preferential allotment basis or for financing cost overruns or as a result of a decision of the shareholders at a general meeting, the initial shareholders shall have the right of first refusal on a pro rata basis (on a fully converted and fully diluted basis).

If any of the initial shareholders decide to sell any or all of our shares that it holds, it is required under the SHA to first offer them to all the other initial shareholders pro rata (on a fully converted and fully diluted basis). The selling shareholder may offer shares to outside investors only if the initial shareholders do not exercise their option to purchase or if they do not purchase all the offered shares, and any such sale must not be on terms and conditions more favorable than those offered to the initial shareholders.

Board of Directors and Reserved Matters

Under the terms of the SHA, the State Government and AAI has the right to nominate such number of directors as is proportionate to its shareholding and the Board will initially comprise 12 directors. So long as the State Government and AAI hold at least 26% of our shares, then each of the State Government and AAI has the right to nominate two directors each. GMR and MAHB have the right to nominate all other directors. If the combined shareholding percentage of the State Government and AAI falls below 26%, each of the State Government and AAI has the additional right to nominate at least one director each irrespective of their shareholding and even if they cease to hold any of our shares. The minimum quorum necessary for a meeting of the board of directors shall include at least three directors nominated by GMR and MAHB and, so long as the State Government and AAI hold at least 10% of our share, include two directors nominated by the State Government and AAI. All decisions of the board shall be made by simple majority of the directors present and voting. However, in respect of reserved matters, (i) so long as GMR, its affiliates and other investors hold more than or equal to 10% of our share, any decision of (a) the board may only be taken by majority vote, which majority decision must include an affirmative vote by at least one director nominated by GMR, and (b) the shareholders may only be taken with the consent of a representative of GMR, and (ii) so long as the State Government and AAI (together with their affiliates) individually hold not less than or equal to 5% of our shares, any decision of (a) the board may only be taken by majority vote, which majority decision must include an affirmative vote by at least one director nominated by each of the State Government and AAI, and (b) the shareholders may only be taken with the consent of a representative of each of the State Government and AAI.

Reserved matters include borrowing, incurring any indebtedness to an aggregate limit in excess of Rs. 250 million, certain disposals of our substantial undertakings or assets, the IPO or listing of our shares or securities and the terms thereof and substantially reducing or expanding our business other than expansions covered under the detailed project report and the Concession Agreement.

Miscellaneous

The SHA envisages that in a situation where: (i) GMR and MAHB cease to hold less than 5% of our shares or (ii) if the State Government and AAI cease to hold less than 5% of our shareholding, the SHA will stand terminated. However, such termination will not prejudice the right of AAI to appoint nominee directors, as stipulate above. In addition, GMR, AAI or the State Government are also entitled to terminate the SHA in case of termination of the Concession Agreement by giving a 30-days' prior notice to the other parties. The SHA reiterates certain restrictions on the transfer and holding of our shares provided in the Concession Agreement. See "—Concession Agreement—Our Ownership Structure" for further details. The applicable law and dispute resolution provisions in the SHA are also consistent with those in the Concession Agreement, with specific performance additionally available. See "—Concession Agreement—Applicable Law and Disputes" for further details.

Land Lease Agreement

Pursuant to the Concession Agreement, we entered into a land lease agreement with the State Government in September 2003 (the "Land Lease Agreement") under which the State Government granted to us for the term of the Concession, an irrevocable and indeterminable lease (except as otherwise terminable under the Land Lease Agreement) over the contiguous, unobstructed, unencumbered and freehold land underlying the Airport of 5,492 acres and 26 guntas at Shamshabad, near Hyderabad, India, owned and possessed by the State Government for the purposes of building, developing and operating the Airport. The lease rent is 2.0% of Rs. 1.55 billion, which compounds at the rate of 5% per annum commencing from the eighth anniversary of the Airport Opening Date, and is payable by us to the State Government on a yearly basis starting from the eighth year after the Airport Opening Date, within 45 days after the end of the relevant year.

The Land Lease Agreement provides us with the right to build, own and operate the Airport in accordance with the Concession Agreement, and the exclusive right to develop facilities that are capable of being developed and operated in conjunction with the Airport, including but not limited to hotels, resorts, flight catering, aircraft maintenance, cargo and logistics center, convention center, golf courses, recreational and entertainment facilities, fuel farms, power plants, water treatment facilities and commercial and residential complexes. We also have the right to assign, sub-lease, under-let, franchise, underlease, sub-underlease or license any part of the leased property to third parties for both aeronautical and non-aeronautical activities, not to exceed the term of the Concession. Further, we can assign the rights and benefits arising out of the Land Lease Agreement in favor of any person to whom our rights, benefits, mortgages and charges over our interests in the Concession Agreement have been assigned. The Land Lease Agreement also requires us to ensure that such third parties are bound by the terms of the Land Lease Agreement and that we inform the State Government of any such assignment, sub-lease, under-letting, franchise, underlease, sub-underlease or license following registration under the Indian Registration Act, 1908, as amended. In addition, under the Land Lease Agreement, the State Government recognizes our right to assign, create, mortgage or secure our interest and/or rights in the land or any part or portion thereof, to secure any amounts due and payable by us to any banking company or a banking institution notified by the Government of India under section 51 of the Banking Regulation Act, 1949, as amended, or a corresponding new bank as defined in clause (d) of section 2 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, as amended, or a co-operative bank as defined in clause (b)(ii) of section 2 of the Reserve Bank of India Act, 1934, as amended, or a finance company or public financial institution that may be notified by the Government of India in consultation with the RBI or any other lender in India or abroad.

The Land Lease Agreement also provides us with the right to terminate it upon termination of the Concession Agreement by providing a written notice of 90 days and if the Concession Agreement is not renewed or extended within such notice period, the Land Lease Agreement will be deemed to have been terminated therefrom.

Support and Services Provided by AAI

Pursuant to the Concession Agreement, we entered into the CNS/ATM Agreement in August 2005 with AAI. Under the terms of the CNS/ATM Agreement, AAI is required to provide communication, navigation and surveillance and air traffic management services at the Airport for the term of the Concession Agreement. AAI must provide such services in accordance with certain international standards, including those issued by the International Civil Aviation Organization, in exchange for the right to collect route navigation facilities charges and terminal navigational landing charges directly from airlines operating at the Airport. In turn, we have agreed to maintain the runway, taxiway and surrounding areas, ensure that the obstacle limitation surfaces of the Airport, the approach and take-off areas, as well as other sensitive and critical areas (as identified by AAI) are clear of obstructions, provide rescue and fire crews, prevent animal and bird nuisances, prepare for various emergencies such as fires and bomb threats and to support AAI by providing utilities and space as well as by executing AAI's orders with respect to AAI equipment or certain airport operations.

BIDAR AIRPORT CONCESSION

We have entered into commissioning, operationalization and maintenance agreement relating to the civilian enclave of Bidar Airport with the Government of Karnataka ("GoK") on January 30, 2020 ("Bidar Concession Agreement"). The GoK has granted us the exclusive right to operate and maintain the civilian enclave of the Bidar Airport and to provide operation and maintenance services and non-aeronautical services. The initial term of the Bidar Concession Agreement ends March 22, 2033, and may be further extended on such terms as mutually agreed between us and GoK. Specifically, the Bidar Concession Agreement grants us the following rights:

- Operate, administer, manage, improve and maintain the civilian enclave of Bidar airport;
- Collect, retain and appropriate the aeronautical charges;
- Design, develop, administer, manage, operate, maintain and provide non-aeronautical services at the site; and
- Determine, levy, collect, retain and appropriate non-aeronautical charge during the term of the Bidar Concession Agreement.

GoK has agreed that it shall enter to lease and/or sub-lease arrangement with us for an annual consideration of Rs. 1,000 per acre per month plus GST and GOK shall exempt and/or waive and/or reimburse the stamp duty and registration charge for such lease and/or sub-lease arrangement. GoK has granted to us an exclusive right to occupy, use and peacefully enjoy the site, including the grant of such right to third parties who may be nominated and appointed by us for the purposes of operation and maintenance of the Bidar Airport.

Indemnification

In the Bidar Concession Agreement, we have agreed to indemnify GoK and have agreed to be responsible to third parties for, any loss of any kind whatsoever suffered by GoK, by reason of any injury or death to, or any damage or destruction of any property or rights, of any person or for any breach by us of the Bidar Concession

Agreement except to the extent such loss arises out of the gross negligence of or wilfull misconduct by GoK or any third party or any emergency or any event of force majeure. The amount of loss to be indemnified by the Company is subject to the maximum amount received by the Company from GoK under the Bidar Concession Agreement till occurrence of such event requiring indemnification by the Company. Further, GoK has agreed to indemnify us and have agreed to be responsible to third parties for, any loss of any kind whatsoever suffered by us, by reason of any injury or death to, or any damage or destruction of any property or rights, of any person or for any breach by the GoK of the Bidar Concession Agreement except to the extent such loss arises out of the gross negligence of or wilfull misconduct the Company or any event of force majeure

Aeronautical charges

As the civilian enclave of the Bidar Airport is a non-major airport as per applicable laws of India, the aeronautical charges shall be determined by GoK. While, determining such charges, Gok shall ensure that such aeronautical charges are equal to the charges prevailing at the Airport. For flights under reginal connectivity scheme at civilian enclave of Bidar airport, the aeronautical charges shall be governed by reginal connectivity scheme policy of December, 2016 issued by MoCA.

Maintenance of Insurance

The Bidar Concession Agreement requires us to maintain appropriate insurance policies as may be decided by us on the insurable assets at the Bidar airport. Further, GoK is required to be reflected as a beneficiary of such insurance policies and shall be named as a loss payee in such insurance policies.

Assignment and Security

Under the terms of the Bidar Concession Agreement, we cannot assign our rights or obligations under the Bidar Concession Agreement. Further, the same restriction is imposed on GoK, however the consent cannot be unreasonably withheld by us.

Applicable Law and Disputes

The Bidar Concession Agreement is governed by and construed in accordance with the laws of India. The parties to the Bidar Concession Agreement agreed to use their reasonable endeavors to settle any disputes amicably, with any unresolved disputes to be finally be submitted by either GoK or us for settlement under the Arbitration Centre—Karantaka (Domestic & International) Rules, 2012 by one or more arbitrator appointed in accordance with such rules.

Force Majeure

Under the terms of the Bidar Concession Agreement, if we or GoK are unable to perform our respective obligations under the Bidar Concession Agreement due to a force majeure event, we or GoK, as applicable, are entitled to suspend or excuse such performance. Any party claiming a force majeure event must give notice to the other party and take steps to mitigate the effects of such an event. Force majeure is defined in the Bidar Concession Agreement as any event or circumstance or a combination of events and circumstances which satisfies all of the following: (i) materially and adversely affects the performance of an obligation by a party including but not limited to government intervention; (ii) are beyond the reasonable control of the affected party; (iii) are such that the affected party could not have prevented or reasonably overcome with the exercise of reasonable skill, care and diligence; (iv) do not result from the negligence, misconduct, breach or default on part of the affected party; and (v) which the parties could not have foreseen. The Bidar Concession Agreement lists

certain events and circumstances as potentially constituting a force majeure, such as acts of war, sabotage, indirect and direct political events, terrorism, riot, civil wars, blockade, insurrection or civil disturbances, explosions, radioactive or chemical contamination, nationwide strikes or lockouts, labour dispute at a local or national level, fire, earthquake or other nature disasters, which directly or indirectly affect the performance of the Bidar Concession Agreement.

If an event of force majeure or consequences thereof continues for an aggregate period of 180 days within any 24 months, then either GoK or us can terminate the Bidar Concession Agreement. Further, if an event of force majeure or consequences thereof materially and adversely affect the economic or commercial position of the Company from the date of the Bidar Concession Agreement or from what it is or what it would have been but for occurrence of such event of force majeure or consequences thereof, and such force majeure event or consequences thereof continues for a period of 180 days from the date on which we have notified the GoK, then we have the right to terminate the Bidar Concession Agreement.

Termination under the Concession Agreement

If either we or GoK becomes aware in good faith, or reasonably believe that the other party is not complying with its material obligations under the Bidar Concession Agreement, and such other party fails to remedy such non-compliance within a period of 30 days of receipt of written notice from the non-defaulting party, then, the non-defaulting party shall have the right to terminate the Bidar Concession Agreement by giving a 180 days' notice prior to such termination. The termination of Bidar Concession Agreement shall not affect in any manner the exclusivity right granted by MoCA to us under the Concession Agreement and accordingly, GoK and MoCA jointly and/or severally, are restrained to grant any right to any third party to operate the Bidar Airport till the exclusivity period under the Concession Agreement expires. Further, in case the Bidar Concession Agreement is terminated for any reason prior to March 22, 2033, any no-objection certificate issued by us for operationalization of the civilian enclave of the Bidar airport under the Bidar Concession Agreement, shall stand withdrawn immediately and simultaneously with the termination of Bidar Concession Agreement.

CONTRACTS FOR THE CURRENT EXPANSION

EPC Contract

On October 19, 2018, we entered into an Engineering, Procurement and Construction Contract ("EPC Contract") with Larsen & Toubro Limited ("L&T") for the expansion of the terminal building and airside infrastructure at the Airport. Pursuant to the EPC Contract, L&T will carry out the execution of all works including expansion of the existing airside infrastructure of the Airport, including the runways, aprons, taxiways and other facilities such as baggage handling systems and passenger boarding bridges. GHIAL will make payments to L&T upon completion of each milestone of the expansion. The EPC Contract will be valid for a period of 40 months from the date of notice to proceed dated October 20, 2018, which is the day expansion works began. Further, the EPC Contract provides for timely performance guarantee and retention payment equivalent to 5.0% each of the contract value to be executed by L&T in favor of GHIAL. The EPC Contract also has penalty clauses in the form of delay damages of 0.1% of the contract value for every week of delay subject to maximum of 10.0% of the contract value. The prolonged lockdown in India caused by the COVID-19 pandemic has delayed the project completion schedule by 6 months from the previously targeted completion date of March 2022.

Supply Contract

On January 18, 2019, Megawide Construction Corporation ("Megawide") and GHIAL entered into a contract for supply of airport systems ("Supply Contract") for the offshore supply of the airport systems at a

consolidated value of Rs. 8.75 billion (US$125.4 million). Megawide will be responsible for the design, manufacturing, supply and delivery of the airport systems for the expansion of the Airport. The Supply Contract will be valid for a period of 36 months from the date of execution of the Supply Agreement. Further, the Supply Contract provides for a performance guarantee and retention payment equivalent to 5.0% each of the contract value to be executed by Megawide in favor of GHIAL. The Supply Contract also has penalty clauses in the form of delay damages of 0.1% of the contract value for every week of delay subject to maximum of 10.0% of the contract value.

LEGAL PROCEEDINGS

General

We are involved in certain legal proceedings from time to time that are incidental to the normal conduct of our business and the nature of our Concession. The material proceedings are described below and are currently pending at various stages of adjudication.

GMR Hyderabad International Airport Limited ("GHIAL")

1. Our Company filed three writ petitions challenging the 2014 AERA Order in the matter of determination of aeronautical tariffs to be charged from the operations of the Airport for the first control period spanning fiscal years 2011 through 2016. The first writ petition was filed before the Honorable High Court of Telangana against the decision of AERA determining the user development fee (the "**UDF**") as zero for the duration from April 1, 2014 to March 31, 2016. However, this writ petition was disposed of on June 10, 2014, directing the Government of India to take a decision on the applicability of the same to the Airport within four weeks. Our Company was also permitted to challenge the 2014 AERA Order on the merits before the appellate tribunal constituted under the AERA Act, 2008 (the "**AERA Appellate Tribunal**"). Thereafter, as per the directions of the Honorable High Court of Telangana in the first writ petition, an appeal was filed before the AERA Appellate Tribunal, which refused to hear the same in light of the AERA Appellate Tribunal's insufficient composition. Hence, our Company approached the Honorable High Court of Telangana and filed a second writ petition for transferring the appeal from the AERA Appellate Tribunal to the Honorable High Court of Telangana. Subsequently, as per the directions of the High Court the Government of India, MoCA issued a policy directive on June 10, 2015 adopting a hybrid till mechanism for the collection of UDF with 30% hybrid till. In light of this policy, our Company filed a third writ petition, claiming that pursuant to the policy directive, the 2014 AERA Order should be set aside and the position of tariff applicability prior to the 2014 AERA Order should be restored until the aeronautical tariff is re-determined by AERA in line with the policy directive given by the Government of India. On October 6, 2015, the Honorable High Court of Telangana granted interim relief restricting the application of the 2014 AERA Order until re-determination of the tariff. Pursuant to the order of the Honorable High Court of Telangana, the DGCA issued an order for restoration of UDF at the Airport at Rs. 430 per embarking domestic passenger and Rs. 1,700 per embarking international passenger, reflecting the rates in effect prior to April 1, 2014. The abovementioned second and the third writ petitions have been disposed of by the Honorable High Court pursuant to its order dated October 17, 2019 directing to transfer these matters to the Telecom Disputes Settlement and Appellate Tribunal (the "**TDSAT**"). TDSAT, pursuant to its order dated March 4, 2020, disposed of these matters by remitting the open issues to AERA for reconsideration, and giving liberty to AERA to issue adhoc directions for the purpose of regulating UDF. Pursuant to this, AERA issued the order dated March 27, 2020 for determination of aeronautical tariff for the 2nd (second) control period and an Amendment order dated May 26, 2020 (the "**2020 AERA Order**"). The matter is presently pending before AERA.

2. A demand letter had been issued by the Commissioner of Labour & Joint Commissioner of Labour dated November 2, 2007 to our Company demanding payment of building cess at the rate of 1% of the Airport

construction cost on the grounds that the Building and Other Construction Workers (Regulation and Employment and Conditions of Service) Act, 1996 (the "**BOCW Act**") is applicable to our Company. Alleging non-compliance with said letter, the Cess Assessing Officer and Joint Commissioner of Labour, Hyderabad, issued a notice dated April 11, 2008 to our Company asking us to show cause as to why an action should not be taken against our Company for a violation of the BOCW Act. Subsequently, having heard our Company on the issue, the Commissioner of Labour, pursuant to its order dated July 21, 2008, held that the BOCW Act is not applicable to our Company and directed Larsen & Toubro in its capacity as the civil contractor for the Airport to pay the impugned building cess. However, without any reference to such order, the Joint Commissioner of Labour, Ranga Reddy zone, Hyderabad, directed our Company by a notice dated October 29, 2009 to pay the said building cess. Our Company thereafter filed a writ petition before the Hyderabad High Court against the state of Andhra Pradesh, represented by the Commissioner of Labour and others, seeking a declaration that the demand letter was illegal and void. Our Company also filed a miscellaneous petition before the Hyderabad High Court praying for an interim stay on all further proceedings consequent to the demand letter and notice. The Hyderabad High Court, by an interim order dated November 13, 2009 granted the interim stay. The matter is currently pending before the Hyderabad High Court.

3. The Company, pursuant to the order of Government of India dated March 6, 2002, constructed a residential township for the Central Industrial Security Force personnel deployed at the Airport. Upon completion of the township project, the cost of the township and land was capitalized in the books of account collecting the security component of the passenger service fee (the "**PSF (SC) Fund**") and notice of the same was given by our Company to MoCA. Also, our Company has procured the security equipment by incurring the expenditure from the PSF (SC) Fund as was allowed in various circulars issued by MoCA. However, MoCA subsequently issued an order, dated February 18, 2014, which required all airport operators to reverse or reimburse back to their respective PSF (SC) Fund all the expenditure incurred towards procurement and maintenance of the security systems and equipment and on creation of fixed assets out of the PSF (SC) Fund, together with the interest that would have accrued in the normal course had such amount not been debited against the PSF (SC) Fund. A writ petition was filed by our Company challenging this order before the Honorable High Court at Hyderabad. Similar petitions are also pending before the Honorable High Court at Bombay, the Honorable High Court at Bangalore and Honorable High Court at Delhi, where the proceedings were initially stayed for three months and were subsequently stayed until further orders. On similar grounds, our Company also obtained interim relief on December 24, 2014 in its favor staying the impugned order of MoCA. The Honorable High Court at Hyderabad has also clarified that in case the decision in this writ petition is decided against our Company, it may be required to reimburse all the amounts quantified in the impugned proceedings. MoCA subsequently filed a transfer petition before the Supreme Court of India seeking transfer of all such PSF (SC) Fund matters pending before other high courts. The Supreme Court of India passed an order on March 5, 2018 advising the Delhi High Court to decide its matter first and other high courts to defer the hearing after such decision. However, our Company filed a clarification petition in the matter and got an order on November 16, 2018 which clarified that the High Court of Telangana can hear the writ filed by our Company and modified its order dated March 5, 2018. The matter is pending adjudication.

4. On January 29, 2010, our Company received an order (the "**Order**") from Commissioner of Customs, Central Excise and Service Tax on irregular availment of the central value added tax credit availed on cement, steel and other goods and services used in construction activity amounting to Rs. 311.1 million. Against the said demand of Rs. 311.1 million, an amount of Rs. 65.6 million has already been appropriated and adjusted by the tax authorities. In addition to the pending demand of Rs. 245.4 million towards irregular availment of central value added tax credit, tax authorities have also claimed interest and assessed a penalty of Rs. 311.1 million against the Company. Our Company has filed an appeal before the Customs, Excise and Service Tax Appellate Tribunal (the "**CESTAT**") against the Order. Our Company has received a stay order

from CESTAT, modified by the order of the High Court of Andhra Pradesh, against the Order, subject to our making a deposit of Rs. 122.0 million. In compliance of the order of the High Court of Andhra Pradesh, we have had deposited the same amount with the service tax department within the stipulated time. Thereafter, CESTAT by its final order dated March 14, 2019 partly allowed our appeal. Consequently, a central excise appeal bearing CEA No. 57/2019 was filed by GHIAL against the order of CESTAT challenging the denial of CENVAT credit of Rs. 82.7 crore availed in the construction of hotel and to set aside the impugned final order bearing no. A/30346/2019 dated 21/01/2019/14/03/2019 passed by the CESTAT, South Regional Bench at Hyderabad in appeal no. ST/2101/2010 in so far as it is prejudicial to the Appellant and decide the questions of law in favour of the appellant pending disposal of the present appeal and pass an interim stay of the operation of the final order appeal no. ST/2101/2010 in so far as it relates to denial of credit of Rs. 82.8 million on inputs capital goods and input services availed in construction of hotel used for the provision of taxable output service and restrain the respondents from taking any steps for recovering the amounts confirmed in the impugned order-in-original (OIO). no 02/2010ST dated January 29, 2010 filed on September 9, 2019. Matter is pending for counter of respondents.

5. The Ministry of Civil Aviation (the "**MoCA**") by letters dated May 17, 2012 and July 3, 2012 directed GHIAL to reverse and refund the expenditure incurred towards deployment of private security guards for traffic management and related activities at the Rajiv Gandhi International Airport, Shamshabad, Hyderabad (the "**RGIA**") along with interest at the rate charged by commercial banks for the period prior to the issue of the letters. GHIAL filed a writ petition before the High Court of Judicature of Andhra Pradesh at Hyderabad against MoCA, along with an application for interim relief, challenging the said letters and to permit GHIAL to continue to adjust all expenditures incurred towards deployment of security on the land side of the Airport after April 16, 2010, from the escrow account established for deposit of security component of the passenger service fee, until such time that CISF is deployed to provide security on the land side. Further, since MoCA is responsible for providing security at the Airport, GHIAL sought directions from the High Court of Judicature of Andhra Pradesh at Hyderabad for MoCA to deploy security on the land side at the Airport. By an order dated July 13, 2012, the High Court of Judicature of Andhra Pradesh at Hyderabad granted an interim stay on the recovery of the amount paid or made over to GHIAL as expenditure incurred towards private security out of passengers service fee (security component) prior to April 16, 2020. The matter is currently pending before the High Court of Telangana.

6. MoCA by orders dated May 9, 2006 and June 20, 2007 charged GHIAL an amount of Rs. 1,100.0 million to an escrow account maintained by GHIAL towards expenditure on security equipment related matters. Thereafter, by an order dated April 16, 2010, MoCA restricted utilisation of the escrow account to only operating expenditure relating to eligible security equipment. MoCA, further by an order dated February 18, 2014, precluding treatment of security related expenditure as capital expenditure required all private airports, including GHIAL, to reverse and refund any capital expenditure charged to the escrow account, together with interest, into the escrow account maintained by them for deposit of the amount.

   GHIAL filed a writ petition before the High Court of Judicature of Andhra Pradesh at Hyderabad (the "**Hyderabad High Court**") against MoCA and others, seeking a declaration that the MoCA order dated February 18, 2014 was illegal and unconstitutional and stay all further proceedings. By an order dated March 3, 2014, the Hyderabad High Court granted an interim stay on the recovery of expenditure incurred by GHIAL for installation of security equipment at the Hyderabad International Airport while restraining GHIAL from prospective utilisation of the escrow account. The Hon'ble Hyderabad High Court, subsequently, by an order dated April 28, 2014, clarified that the restriction imposed by it by way of its order dated March 3, 2014 on the utilisation of the escrow account pertained only to the extent of capital cost/expenditure towards procurement and maintenance of security systems and creation of fixed assets. The MoCA, along with other respondents, filed a counter affidavit for vacation of the interim stay granted by its

order dated April 28, 2014 and for dismissal of the writ petition filed by GHIAL and the matter is currently pending for adjudication. Stay is still pending.

7. GHIAL filed a writ petition challenging denial of input tax credit (the "**ITC**") on the construction works contract services given to EPC contractors and challenged the vires of section 17(5)(c) and section 17(5) (d) of the Central Goods and Services Tax Act, 2017 (the "**CGST**") and Telangana Goods and Services Tax Act, 2017 (the "**TGST**") and consequent notifications thereunder. While we are paying the GST on construction services to the construction contractors, we are not permitted to avail ITC though we are using such constructed asset for providing output services namely airport services. Hence the vires of the CGST section 17(5) (c) and the consequent notification dated January 1, 2018 and similar provision in TGST have been challenged. The Division Bench of High Court of Telangana on July 15, 2020 passed orders directing the respondents to not take any coercive action against the petitioner. Stay is pending and matter to be listed for counter of respondents.

8. A writ petition was filed by Federation of Indian Airlines (the "**FIA**") before Delhi High Court challenging the Aeronautical Information Circular (the "**AIC**"), with an interim application seeking a direction against GHIAL and Bangalore International Airport Ltd. (the "**BIAL**") to refrain from taking any coercive steps pursuant to any demand raised for payment of Passenger Service Fee ("PSF")/User Development Fee/ Development Fee ("UDF") and praying for (a) direction to MoCA to enforce AIC 6 of 2012 across all airports; (b) to quash letter dated May 14, 2019 issued by MoCA; (c) to direct GHIAL and BIAL to pay UDF/PSF paid by FIA which are paid contrary to letter dated November 30, 2011; (d) to declare exemptions claimed by GHIAL and BIAL are contrary to letter November 30, 2011. No interim Order was passed by the Delhi High Court in this matter and a miscellaneous petition was filed by FIA seeking amendment to the writ petition. The matter is pending and listed for hearing on April 22, 2021.

9. The Andhra Pradesh Electricity Regulatory Commission (the "**APERC**") passed an order allowing the state electricity distribution companies (the "**DISCOMS**") to adjust the fuel surcharge from 14,40,028 customers amounting to Rs. 5,043.3 million (the "**Fuel Surcharge Order**"). GHIAL filed a writ petition before the Hyderabad High Court challenging the Fuel Surcharge Order. Upon challenge by GHIAL, the Hyderabad High Court, by an order dated January 20, 2012, in a batch of writ petitions including the writ petition filed by GHIAL, has set aside the Fuel Surcharge Order. The Central Power Distribution Company of Andhra Pradesh Limited (the "**CPDCAPL**") and certain others filed a special leave petition (the "**SLP**") before the Hon'ble Supreme Court of India (the "**Supreme Court**") against GHIAL and others challenging the order dated January 20, 2012 and sought for an interim stay on the operation of such order. However, no interim order has been passed by the Supreme Court. The matter is currently pending for final hearing before the Supreme Court.

10. The APERC passed a tariff order dated July 22, 2010 wherein GHIAL was categorized as high tension category—II (non-industrial). GHIAL filed an appeal before the Appellate Tribunal for Electricity, New Delhi ("ATEL") against the said tariff order contending that it should be categorized as high tension-category I (industrial) as it undertakes aeronautical operational services and incidental activities. Subsequently, ATEL passed an order dated July 22, 2011 directing APERC to reclassify GHIAL under a separate category of airports or under the high tension- category I (industrial) category for the purposes of determination of tariff fiscal 2012. The CPDCAPL filed a civil appeal bearing CA. No. 1954/2012 before the Hon'ble Supreme Court against GHIAL seeking to set aside the order dated July 22, 2011 of the ATEL to which GHIAL has filed its counter affidavit. The matter is currently pending before the Supreme Court.

11. GHIAL has filed an appeal bearing no. Appeal 5 of 2016 before the AERA Appellate Tribunal challenging the order bearing order no. 07/2016-17 dated June 6, 2016 passed by AERA (the "**Impugned Order**"), (along with an interim application to decide the challenge to the Impugned Order as a preliminary issue) in

the matter of normative approach which has capped the capital expenditure towards terminal building at Rs 65,000/- per square meter and towards the runway/taxiway/apron at Rs. 4,700/- per square meter which is to be incurred by the airport operators for the purposes of tariff determination. The matter is currently pending.

12. A writ petition bearing no. W.P. No. 18620 of 2018 dated June 5, 2018 has been filed by Mr. S. M. Saifullah against GHIAL and others before the High Court of Judicature at Hyderabad for the state of Telangana and the state of Andhra Pradesh (the "**High Court of Hyderabad**"), challenging the charging of excess UDF from haj pilgrims embarking from RGIA as arbitrary, illegal and discriminatory beside being violative of Article 14 of the Constitution of India and thus, seeking an appropriate direction to be passed by the Hon'ble High Court of Hyderabad to collect UDF on par with other international passengers. The High Court of Hyderabad by its order dated June 7, 2018 has issued notice to GHIAL along with other respondents. The matter is currently pending.

13. A writ petition bearing no. W.P. No. 25919 of 2010 has been filed by GHIAL against the Union of India, represented by the Labour Enforcement Officer before the High Court of Judicature of Andhra Pradesh at Hyderabad (the "**High Court of Hyderabad**") to suspend the operation of notice dated September 16, 2010 bearing no. 36(5) 2010 (the "**Impugned Order**") wherein it was alleged certain irregularities under section 9 of the Payment of Gratuity Act, 1972. The High Court of Hyderabad by an interim order dated October 20, 2010 suspended the operation of the Impugned Order. The matter is pending.

14. Air Works India Engineering Private Limited (the "**Petitioner**") has filed a writ petition bearing no. W. P No. 1074 of 2020 against GHIAL and others before the High Court for the State of Telangana at Hyderabad (the "**High Court of Telangana**") seeking directions to issue a writ of mandamus or any other appropriate writ against the following decisions taken by GHIAL alleging them being illegal, arbitrary, discriminatory and in violation of Articles 14, 19(1)(g) and 21 of the Constitution of India, namely; (i) for declaring continuance of GMR Air Cargo and Aerospace Engineering Limited (the "**GMR Air Cargo**") and Air India Engineering Services Limited ("**Air India Services**") as the line maintenance service providers (the "**LMS Providers**") without having them to go through a fair and transparent process of selection; and (ii) to limit the number of LMS Providers at RGIA to three as reflected in the request for proposal dated December 23, 2019 ("**Impugned RfS**"). The Petitioner has also sought quashing of the Impugned RfS and restraining GHIAL from giving effect to the condition of limiting the number of LMS Providers to three. In this case, rejoinder has been filed by the Petitioner on February 26, 2020. The matter is currently pending before the High Court of Telangana.

15. A writ appeal bearing no. W.A. No. 1321 of 2012 dated October 16, 2012 (the "**Writ Appeal**") has been filed by Central Board of Excise & Customs and others against GHIAL before the High Court of Judicature at Hyderabad for the state of Andhra Pradesh (the "**High Court of Hyderabad**"), challenging the judgment dated June 11, 2012 passed by the High Court of Hyderabad (the "**Impugned Judgment**"), holding, *inter alia*, the imposition of levy on GHIAL towards cost recovery charges by the custom officials as unsustainable. The High Court of Hyderabad granted an interim order dated November 2, 2012 for interim suspension of the Impugned Judgement, pending the Writ Appeal. The matter is currently pending.

PROPERTY AND INSURANCE

Real and Personal Property

Pursuant to the Concession Agreement and the Land Lease Agreement, the State Government has leased to us all the land underlying the Airport of 5,492 acres and 26 guntas around the Airport in Shamshabad, near Hyderabad, India, owned and possessed by the State Government for the purposes of building, developing and operating the Airport. We have the right to sub-lease or license any part of the leased property for a period not to

exceed the term of the Concession. Following the expiration or termination of the Concession Agreement and only after payment of all monies to us pursuant to the Land Lease Agreement, the SSA and/or the Concession Agreement, all new construction, buildings, structures, additions and/or improvements owned by us and or any third party will become part of the land and will vest in the State Government. See "—Our Concession—Concession Agreement" for further details.

Insurance

Under the terms of the Concession Agreement, we are required to maintain (i) during the construction phase, appropriate insurance policies to cover loss or damage to the civil works and equipment (contractors' "all-risks" policy, erection "all-risks" policy and marine cargo policy), third party liability insurance and workmen's compensation insurance and (ii) during the operation phase, appropriate insurance policies to cover loss or damage to our property, third party liability insurance and workmen's compensation insurance, as well as the insurance required under the relevant financing agreements.

In this regard, we maintain mega risk/property insurance risk policy to cover the risk of material damage to the properties, airport operators' risk policy to cover the risk from operation of the Airport, terrorism insurance policy to cover the loss arising from terrorism attacks, special contingency policy to cover the risk to airside operational vehicles and the risk of contamination of aviation turbine fuel, motor vehicle insurance policy, airport operators liability policy and money insurance policy to cover the risk of loss to cash in transit and cash in safe.

EMPLOYEES

As at September 30, 2020, GHIAL employed 691 employees, of which 526 worked on activities such as airport operations, firefighting, security, and customer services; 31 performed commercial activities such as business development; and 134 worked in finance, administration, human resources, legal department and other activities, and through our subsidiaries we employed an additional 1,461 employees.

The following table provides information in respect of the number of our employees as at September 30, 2020 and March 31, 2020, 2019 and 2018:

	As at September 30,		As at March 31,					
	2020		2020		2019		2018	
	Employees	% of employees	Employees	% of employees	Employees	% of employees	Employees	% of Employees
GHIAL								
Airport Operations, Firefighting, Security and Customer Services	526	24.4%	529	23.6%	495	23.6%	359	19.9%
Commercial, Cargo, Business Development	31	1.4%	34	1.5%	24	1.1%	21	1.2%
Support Services (F&A, HR, Legal, FMS, Transport)	134	6.2%	135	6.0%	117	5.6%	125	6.9%
GHIAL TOTAL	**691**	**32.1%**	**698**	**31.1%**	**636**	**30.3%**	**505**	**28.0%**
SUBSIDIARIES								
GHRL (Hotel division and Duty free division)	405	18.8%	472	21.0%	512	24.4%	428	23.7%
GACAEL (MRO Division)	528	24.5%	489	21.8%	444	21.2%	389	21.6%
GACAEL (Cargo Division)	528	24.5%	584	26.0%	507	24.2%	481	26.7%
SUBSIDIARIES TOTAL	**1,461**	**67.9%**	**1,545**	**68.9%**	**1,463**	**69.7%**	**1,298**	**72.0%**
TOTAL EMPLOYEES	**2,152**	**100.0%**	**2,243**	**100.0%**	**2,099**	**100.0%**	**1,803**	**100.0%**

SUBSIDIARIES AND JOINT VENTURE

The following table sets forth our subsidiaries and joint venture as at September 30, 2020.

Name of Company	GHIAL equity shareholding	Classification	Other partners	Primary Business
GMR Hyderabad Aerotropolis Limited ("GHAL")	100.0%	Subsidiary	—	GHAL was set up to monetize the Airport land. 492 acres has been subleased by GHIAL for commercial development to this subsidiary.
GMR Hyderabad Aviation SEZ Limited ("GHASL")	100.0%	Subsidiary	—	GHASL was established to carry on the business of investment and development of infrastructure for special economic zones including planning, designing, operating and marketing a multi-product SEZ. Its main objective is to provide infrastructure facilities such as developed plots, buildings, roads, utilities such as power, water, drainage, communication network, infrastructure facilities to the industrial clusters or any other industrial group and aviation and aerospace companies to set up their units. This multi-product SEZ is being marketed under the brand "GMR Aerospace Park." 250 acres has been subleased by GHIAL for commercial development to this subsidiary.
GMR Hospitality and Retail Limited (formerly known as GMR Hotels and Resorts Limited) ("GHRL")	100.0%	Subsidiary	—	GHRL owns the five-star rated Novotel Hyderabad Airport Hotel. It also has a retail division which operates duty free retail activities in the international area of the Airport terminal and has two multi-brand stores, one at departure and one at arrival, which trade in liquor, confectionery, tobacco, perfumes etc.
GMR Air Cargo and Aerospace Engineering Limited ("GACAEL")	100.0%	Subsidiary	—	GACAEL developed infrastructure facilities for carrying out the business of air cargo operations at RGIA and also MRO of aircraft including base maintenance services starting with C-checks for narrow bodied aircraft like Airbus A 320 and Boeing 737 including the B-737 Classic and B-737 next generation aircraft as well as line maintenance services at multiple airports.
GMR Aero Technic Limited ("GATL")	100.0%	Subsidiary	—	GACAEL's wholly-owned subsidiary GATL runs the consultancy business.
Laqshya Hyderabad Airport Media Private Limited ("LHAMPL")	49.0%	Joint venture	Laqashya Media Group	LHAMPL is a joint venture between Laqshya Media Private Limited (51.0%) and us (49.0%). LHAMPL develops, operates, markets and manages the advertising media units inside and outside the terminal building. The advertising display rights are awarded for the external access road and the passenger terminal building.
GMR Logistics Park Private Limited	30.0%	Joint venture		This is a joint venture between ESR, Singapore (70%) and GHAL (30%) incorporated on December 20, 2018 with the objective to develop, operate, maintain and market warehouse and logistic park(s) at the Airport.

As part of our business plan and strategy, we in the future may enter into new shareholder and/or joint venture agreements or arrangements as well as amend, modify or replace such new and/or our existing shareholder and/or joint venture agreements or arrangements.

INDIAN REGULATORY ENVIRONMENT

The following section provides an overview of certain Indian laws and regulations governing activities in the aviation industry in India, to our business and this Notes Offering. The information set out below has been obtained from various sources available in the public domain, including various legislations and rules and regulations promulgated by regulatory bodies and local authorities.

The overview below is based on the current provisions of Indian law and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. It is not exhaustive and should not be a substitute for professional legal advice. Prospective investors should seek independent legal advice on the laws and regulations applicable to our business.

AVIATION SECTOR

The Government of India has formulated various regulations which specifically apply to companies operating in the aviation sector. The Airports Authority of India Act, 1994, as amended (the "AAI Act") the Aircraft Act, 1934, as amended, Airports Economic Regulatory Authority Act, 2008, as amended and various rules thereunder and other regulations and orders made pursuant thereto govern the aviation sector in India. The oversight over the aviation sector in India is distributed among the MoCA, the DGCA, the Bureau of Civil Aviation Security ("BCAS"), the AAI and AERA. The Ministry of Defence undertakes airspace protection in coordination with AAI.

There are three categories of airports in India:

(i) International airports from which international flights can operate;

(ii) Domestic airports from which only domestic flights can operate; and

(iii) Customs airports from which imported goods can be unloaded or goods can be exported.

The AAI manages all airports in India other than certain private airports which are managed by private operators either independently or along with the AAI and certain military airports that are managed by the Ministry of Defence. The AAI also administers the use of terminal building facilities at military airports by civilian aircraft, while air traffic control ("ATC") and scheduled clearances at these airports are the responsibility of the defense authorities.

The airport sector in India is also broadly governed by two policies namely, the Domestic Air Transport Policy and the Policy on Airport Infrastructure, which includes the Greenfield Airports Policy.

APPLICABLE LEGISLATION, INTERNATIONAL CONVENTIONS AND SECTORAL POLICY

The Airports Authority of India Act, 1994

The AAI Act was enacted for the constitution of AAI and for the transfer and vesting of the undertakings of the International Airports Authority of India and the National Airports Authority of India to and in AAI for the better administration and cohesive management of airports and civil enclaves.

The AAI Act applies to all airports from where air transport services are operated or are intended to be operated (other than private airports which are managed by private operators either independently or along with

the AAI and airports and airfields belonging to, or subject to the control of, any armed force of India), all private airports insofar as it relates to providing air traffic services, all civil enclaves (which are areas allotted at airports belonging to any armed force of India, for use by persons availing of any air transport services from such airports or for the handling of baggage or cargo by such service, and include land with any building and structure or such areas); all aeronautical communication stations; and all training stations, establishments and workshops relating to air transport services.

The AAI Act was amended in 2003 by way of the Airports Authority of India (Amendment) Act, 2003 (the "2003 Amendment") to extend its application to private airports with limited applicability as mentioned in the AAI Act (which are airports owned, developed or managed by any person or agency other than AAI or any state government; or any person or agency jointly with AAI or any state government or both where the share of such person or agency as the case may be in the assets of the private airport is more than fifty percent). The provisions of the AAI Act apply to private airports, including the Company, insofar as they relate to, inter alia, providing air traffic service, eviction of unauthorized occupants, and compliance with certain directions of AAI issued in view of the security interests of India or the security of an aircraft.

The 2003 Amendment to the AAI Act also permits AAI, in the public interest or in the interest of better management of airports, to lease the airport premises with prior approval of the Government of India to carry out some of its functions under the AAI Act.

The 2003 Amendment to the AAI Act also empowers AAI to levy and collect development fees from the embarking passengers at airports. The development fees are levied for the purpose of funding or financing the cost of upgrade, expansion or development of the airport at which the fee is collected; establishment or development of a new airport in lieu of the airport at which the fee is collected; or investment in the equity in respect of shares to be subscribed by AAI in companies engaged in establishing, owning, developing, operating or maintaining a private airport in lieu of the airport at which the fee is collected or advancement of loans to such companies or other persons engaged in such activities.

In pursuance of the powers conferred by the AAI Act, various rules and regulations have been framed, including the Airports Authority of India (Management of Airports) Regulations, 2003, as amended; the Airports Authority of India (General Management, Entry for Ground Handling Services) Regulations, 2007, as amended; the Airports Authority of India (Storage and Processing of Cargo, Courier and Express Goods and Postal Mail) Regulations, 2003, as amended; and the Airports Authority of India (Major Airports) Development Fees Rules, 2011 as amended.

The Aircraft Act, 1934

The Aircraft Act, 1934, as amended (the "Aircraft Act") makes provisions for the control of the manufacture, possession, use, operation, sale, import and export of aircrafts. It empowers the Government of India to make rules, inter alia, with respect to the regulation of the air transport services and the prohibition of the use of aircraft in such services except under the authority of and in accordance with a license authorizing the establishment of the service; the economic regulation of the civil aviation and air transport services (other than those to which AERA Act applies); and registration and marking of the aircraft. The Aircraft Act also empowers the Government of India to make rules as may be necessary to give effect to the Chicago Convention on International Civil Aviation, 1944 (the "Chicago Convention"). The licensing, inspection, regulation and conditions for maintenance of aerodromes is also provided for under the Aircraft Act.

The Aircraft Act has been amended from time to time in view of developments in technology, communication, navigation, surveillance, air traffic management standards laid down by the International Civil Aviation Organization ("ICAO") for safety and security of the civil aviation; and to give effect to the various provisions of the Chicago Convention.

Pursuant to the powers conferred by the Aircraft Act, the Government of India has promulgated the Aircraft Rules, 1937, as amended (the "Aircraft Rules") which, inter alia, stipulate that no aerodrome will be used as a regular place for landing and departure by a scheduled air transport service or for a series of landing and departures by any aircraft carrying passengers or cargo for hire or reward unless it has been licensed.

The other rules framed pursuant to the Aircraft Act include the Aircraft (Public Health) Rules, 1954; the Aircraft (Demolition of Obstructions Caused by Building and Trees, etc.) Rules, 1994; the Aircraft (Carriage of Dangerous Goods) Rules, 2003; the Aircraft (Security) Rules, 2011; Ministry of Civil Aviation (Height Restrictions for Safeguarding of Aircraft Operations) Rules, 2015; and the Aircraft (Investigation of Accidents and Incidents) Rules, 2017.

The Aircraft (Amendment) Act, 2020

The Aircraft (Amendment) Act, 2020 received the assent of the President on 19th September 2020 and further amends the Aircraft Act, 1934. The Aircraft Amendment Act converts the three existing regulatory bodies under the Ministry of Civil Aviation, namely, the Directorate General of Civil Aviation (DGCA); the Bureau of Civil Aviation Security (BCAS) and Aircraft Accidents Investigation Bureau into statutory bodies to be each headed by an officer designated as Director General. The Amendment Act empowers the Government of India, as necessary and expedient in public interest, to issue directions to each of these organisations in matters relating to carrying out the safety oversight and regulatory functions, civil aviation security and investigation of aircrafts accidents or incidents. The Amendment Act expands the rule making power of the Government of India to regulation of air navigation services and any other matter relating to air navigation services. The Amendment Act gives power to Government of India to suspend or cancel the licences, certificate or approval granted to a person under the Aircraft Act if the person contravenes any provision of the Aircraft Act or rules made thereunder. Such licences include those given for the establishment of an air transport service, the establishment of aerodromes, and the operation, repair, and maintenance of aircraft. The Amendment Act also lays down stringent penalties for the contravention of the provisions of the Aircraft Act. The Amendment Act prescribes compounding of certain offences related to carriage in aircraft of arms, explosives or other dangerous goods, flying so as to cause danger and abetment of offences and attempted offences.

The Airports Economic Regulatory Authority of India Act, 2008

The Airports Economic Regulatory Authority of India Act, 2008, as amended (the "AERA Act") has been enacted to provide for the establishment of AERA to regulate tariff and other charges for the aeronautical services rendered at airports and to monitor performance standards of airports. AERA was established on May 12, 2009 and is the economic regulator of the airport infrastructure sector and air navigation services in India.

The AERA Act applies to all airports from where air transport services are operated or are intended to be operated (other than airports and airfields belonging to, or subject to the control of, the armed forces and paramilitary forces of India); all private airports and leased airports; all civil enclaves; and all major airports (which are airports which have, or are designated to have, annual passenger throughput in excess of one and a half million or any other airport as the Government of India may decide).

The regulatory building blocks and the procedures to be followed by AERA have been specified by AERA in its Order No. 13/2010-2011 "Regulatory Philosophy and Approach in Economic Regulation of Airport Operators" dated January 12, 2011 (the "Regulatory Philosophy Order") and the AERA (Terms and Conditions for Determination of Tariff for Airport Operators) Guidelines 2011 (the "Tariff Guidelines"). With respect to the determination of tariffs for service providers providing aeronautical services, the procedure is set out by AERA in its Order No. 12 of 2011 "The Airports Economic Regulatory Authority of India (Terms and Conditions for

Determination of Tariff for Services Provided for Cargo Facility, Ground Handling and Supply of Fuel to the Aircraft) Guidelines, 2011" dated January 10, 2011.

Tariffs for the aeronautical services at major airports is to be determined by AERA after taking into consideration the capital expenditure incurred and timely investment in improvement of airport facilities; the service provided, its quality and other relevant factors; the cost for improving efficiency; economic and viable operations of major airports; revenue received from services other than the aeronautical services; the concession offered by the Government of India in any agreement or memorandum of understanding or otherwise; and any other factor which may be relevant for the purposes of the AERA Act. By way of amendment to the AERA Act on August 6, 2019, the Airports Economic Regulatory Authority of India (Amendment) Act, 2019 was enacted to restrict the powers of AERA in determining (i) the tariff, (ii) tariff structures, or (iii) the development fees, in certain cases. These cases include those where such tariff amounts were a part of the bid document on the basis of which the airport operations were awarded. AERA will be consulted by the concessioning authority before incorporating such tariffs in the bid document, and such tariffs must be notified.

The tariffs for aeronautical services are typically fixed by AERA for a fixed control period, being a period of five years, but subject to amendment according to the public interest from time to time. Airport operators as well as independent service providers are required to file their annual tariff proposal ("ATP") and multi-year tariff proposal ("MYTP") with AERA for the determination or revision of the tariff for the control period. AERA may consider (but is not obligated to accept) the ATPs and MYTPs submitted to it by the airport operators or service providers. Broadly, in determining the aeronautical tariffs (which may vary based on the performance and requirements of various airports), AERA takes into account the capital expenditure incurred and timely investments in improvement of airport facilities, services provided, service quality, the costs in improving efficiency, the economic and viable operation of airports, the revenues received from services other than aeronautical services, and any other factor that may be relevant. According to the Regulatory Philosophy Order, the tariffs must be worked out in a reasonable manner and consistent with the risk profile faced by the operators.

In addition to the abovementioned factors, AERA is also required to consider the concession offered by the central government of India to the airport operator in any agreement, memorandum of understanding or otherwise. Section 13 of the AERA Act provides that the concession be considered while determining the tariff for major airports. Subsequently, AERA may be required to resolve any variance in the terms of such agreements and the AERA Act. In this regard, in its Order No.40/2015-16 dated December 8, 2015, in which the AERA had determined the tariffs for aeronautical services for DIAL for the second control period, AERA clarified that the provisions of the concession agreement should be taken on board as far as these are consistent with the provisions of the AERA Act. Further, the provisions of the concession agreement should also be reconciled to the extent possible with the provisions of the AERA Act. It is only where the provisions of the concession agreement are not consistent with the AERA Act and cannot be reconciled thereto, a deviation from the provisions of the concession agreement may need to be made to the extent of repugnancy to the express provisions of the AERA Act.

Under Section 2(a) of the AERA Act, aeronautical services are defined as any service provided: (i) for navigation, surveillance and supportive communication thereto for air traffic management; (ii) for the landing, housing or parking of an aircraft or any other ground facility offered in connection with the aircraft operations at an airport; (iii) for ground safety services at an airport; (iv) for ground handling services relating to aircraft, passengers and cargo at an airport; (v) for the cargo facility at an airport (vi) for supplying fuel to the aircraft at an airport; and (vii) for a stake-holder at an airport, for which the charges, in the opinion of the Central Government for the reasons to be recorded in writing, may be determined by the Authority.

Other key factors in determining the aeronautical tariffs are the forecasted passenger traffic and ATM levels over the relevant period and the capital expenditures made in developing the applicable asset base. It may be

noted that private operators or third party service providers offering services at the airports are free to determine the tariffs that may be imposed on services offered, as long as the same are not covered under the above list, and such services being "non-aeronautical services."

AERA follows a hybrid-till model for determining the aeronautical tariffs for the Airport. In a hybrid-till model, a percentage share of non-aeronautical operations revenues are used to subsidize the revenues from aeronautical operations of an airport — 30% of non-aeronautical operations and revenues in the case of the Airport. The main building blocks used when determining the tariff are:

- returns on the asset base;
- fair rate of return;
- depreciation;
- operating and maintenance costs;
- taxes; and
- 30.0% of the gross revenue generated from revenue-share (i.e., non-aeronautical operations) at the Airport on a standalone basis.

Further, under the Aircraft Rules, the airport licensee is entitled to collect the passenger service fees from embarking passengers and to levy and collect user development fees at all major airport at the rates as may be determined by AERA following a stakeholder consultation process.

The Airports Economic Regulatory Authority Appellate Tribunal (the "AERA Appellate Tribunal") was established under the AERA Act to adjudicate disputes between two or more service providers or between a service provider and a group of consumers, and to hear and dispose of appeals against any direction, decision or order of AERA under the AERA Act. Pursuant to the amendments to the Finance Bill, 2017, the functions of the AERA Appellate Tribunal have been transferred to the Telecom Disputes Settlement and Appellate Tribunal ("TDSAT"), which now also must decide on matters related to determination of charges for aeronautical services.

In pursuance of the powers conferred by the AERA Act, AERA has issued various orders and guidelines, including the Airports Economic Regulatory Authority of India (Terms and Conditions for Determination of Tariff for Airport Operators) Guidelines, 2011, and the Airports Economic Regulatory Authority of India (Terms and Conditions for Determination of Tariff for Services provided for Cargo Facility, Ground Handling and Supply of Fuel to the Aircraft) Guidelines, 2011.

AERA issued a consultation paper dated December 19, 2017 proposing to have consultations with stakeholders in respect of the determination of aeronautical service charges in respect of the Airport for the second control period. Since a few major claims such as recovery of pre-control period entitlement, recovery of foreign exchange loss as operating expenses, treatment of revenue generated from cargo, ground handling and fuel farm services as non-aeronautical revenue were not considered by AERA in the consultation paper, we approached the High Court of Judicature at Hyderabad and obtained an interim order on February 7, 2018 directing AERA not to finalize the determination of the aeronautical tariff for the second control period. However, in order to facilitate the implementation of the second control period tariff and the timely implementation of the third control period tariff, we filed a withdrawal petition for the matter before the Honorable High Court of Judicature at Hyderabad, which was granted on February 25, 2020. Subsequently, the

2020 AERA Order was issued on March 27, 2020 leading to a significant drop in aeronautical charges effective from April 1, 2020 till the pronouncement of third control period order which we expect to get notified by June 2021. An amendment to 2020 AERA Order dated March 27, 2020 was issued dated May 26, 2020 allowing the Company to levy Infrastructure Charges for FY 2020-21 at INR 1500.

The Carriage by Air Act, 1972

The Carriage by Air Act, 1972, as amended (the "Carriage by Air Act") was enacted to give effect to the convention for the unification of certain rules relating to international carriage by air signed at Warsaw on October 12, 1929 (the "Warsaw Convention") and the Hague Protocol signed on September 28, 1955, and to make provision for applying the rules contained in the Warsaw Convention, as amended from time to time, to non-international carriage by air. The said Carriage by Air Act was further amended by the Carriage by Air (Amendment) Act, 2016. Additionally, Ministry of Civil Aviation has by notification dated March 2, 2020 bearing S.O 987(E) has also made certain amendments to the said Act.

The Tokyo Convention Act, 1975

Tokyo Convention Act, 1975, as amended ("Tokyo Convention Act") is a convention on offences and certain other acts committed on board an aircraft. A convention on offences and certain acts committed on board aircraft was signed on September 14, 1963 at Tokyo (the "Tokyo Convention"). In order to enable India to accede to the Tokyo Convention, the Tokyo Convention Act was enacted by the Indian Parliament.

The Suppression of Unlawful Acts against Safety of Civil Aviation Act, 1982

The Suppression of Unlawful Acts against Safety of Civil Aviation Act, 1982, as amended is a statute giving effect to the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation (Montreal Convention) signed at Montreal on September 23, 1971 and acceded to by India. The Montreal Convention regulates the law relating to unlawful acts that jeopardize the safety of persons and property, seriously affect the operation of air services, and undermine the confidence of the people of the world in the safety of civil aviation.

Other legislation relevant to the aviation sector include the Anti-Hijacking Act, 1982, as amended and the Convention on International Civil Aviation, 1944 (Chicago Convention).

Airport Infrastructure Policy

The MoCA introduced a policy on airport infrastructure in August 2011 (the "Airport Infrastructure Policy 2011"), which consolidated the Airport Infrastructure Policy 1997 and the policy for Greenfield Airports and guidelines framed thereunder in 2008. The Airport Infrastructure Policy 2011 relates to the use and development of airport infrastructure for remote and inaccessible areas.

The Airport Infrastructure Policy 2011 deals with issues such as capacity enhancement, augmentation of the existing facilities, reclassification of airports, safety and security of aircraft operations through the introduction of state-of-art air traffic, security and related services, and encourages transparency and clarity in the decision-making processes of Government of India and its public sector units.

The Airport Infrastructure Policy 2011 also envisages the setting up of an independent statutory body called the Airport Approval Commission. This body would assist the Government of India in examining the new airport proposals, and submit its recommendations on aspects such as the requirements of a greenfield airport, the appropriateness of the site for the new airport and whether the new airport project should be undertaken in the public sector, private sector or as a mixed development as a joint venture. The Airport Infrastructure Policy should be read along with National Civil Aviation Policy, 2016.

National Civil Aviation Policy, 2016

With an aim to develop and improve airports, cargo sectors, maintenance, repair and overhaul facilities, and helicopter aviation, and to rationalize the cost of aviation turbine fuel, enhance regional connectivity, modernize the Air Navigation Services ("ANS") and introduce overall institutional reforms in the civil aviation space, the MoCA released the National Civil Aviation Policy, 2016 (the "Aviation Policy 2016") on June 15, 2016. The Aviation Policy 2016 introduces various measures aimed at promoting the growth of the Indian civil aviation sector. Under its Regional Connectivity Scheme, the MoCA will levy a small charge on domestic flights and will use it to fund a subsidy given to airlines which provide capped airfares for certain under-served regional routes at a target rate of Rs. 2,500 per passenger per hour of flying time. The MoCA also proposes to revive old airstrips and airports as "no-frills airports" at an indicative cost of Rs. 500 million to Rs. 1 billion and provides incentives for investing in maintenance, repair and overhauls. The Aviation Policy 2016 also provides for Viability Gap Funding ("VGF") to airline operators to fly to regional locations. The policy also eliminates the existing requirement that airlines must fly domestic routes for at least five years before they fly international routes and thus, now airlines with at least 20 aircraft can immediately start flying internationally. Going forward, the Government of India will seek to enter into "open sky" air service agreements on a reciprocal basis with member countries of the South Asian Association for Regional Cooperation and countries that are more than 5,000 km away from India. The policy also envisages the framework for a new ground handling policy. Moreover, the policy requires that the tariff at all future airports be calculated on a hybrid-till model, under which a percentage share of revenues from non-aeronautical services are used to subsidize the revenues from aeronautical operations of an airport.

Policy on Regional Connectivity Scheme ("UDAN")

Pursuant to the National Civil Aviation Policy, 2016, released by MoCA, which envisages to develop and improve airports, cargo sectors, maintenance, repair and overhaul ("MRO") facilities, and helicopter aviation, to rationalize the cost of aviation turbine fuel, to modernize the air navigation services ("ANS") and to introduce overall institutional reforms in the civil aviation space, including enhancement of regional connectivity through fiscal support and infrastructure development, the Government of India has launched a regional connectivity scheme (the "Regional Connectivity Scheme"), known as 'UDAN' (Ude Desh ka Aam Nagrik) on June 15, 2016. See "—National Civil Aviation Policy, 2016" for further details. The operation of this scheme is proposed to be through a market mechanism where, among others, operators will assess demand on routes and submit proposals for operating / providing connectivity on such routes. Broadly, this scheme focuses on promoting affordability of regional air connectivity by supporting airline operators through (a) concessions by the GoI, state governments (including Union Territories) and airport operators to reduce the cost of airline operations on regional routes and other support measures; and (b) financial support in the form of viability gap funding to meet the gap, if any, between the cost of airline operations and expected revenues on such routes. The scheme is applicable, subject to periodic review, for a period of 10 years from the date of its notification by the MoCA.

The scheme envisages a market-based mechanism for selection of an airline operator to operate on a designated route or a network, wherein the initial proposal and any counter proposals will be evaluated as per the mechanism presented herein. Pursuant to such evaluation of proposals, a selected airline operator will be identified and a three year contract will be entered into by the selected airline operator with AAI for operations on the designated route. At the time of its inception, a total of 128 routes were identified and declared to be under the purview of this scheme, connecting 70 airports across the country.

The norms relating to this scheme have been relaxed in August 2017 whereby provisions relating to dilution of the exclusivity clause have been envisaged mandating that only one airline may fly on one route in the initial years. Also, a selected airline operator of a particular route may issue a no-objection certificate to other airlines which want to operate on a route designated under the scheme. In addition, norms restricting two airports in close

proximity from participating in the bidding have also been relaxed and operations through fixed wing aircrafts on routes with a stage length less than 150 kilometers has also been permitted.

After two successful rounds of bidding, the MoCA launched the largest bidding round under the UDAN Scheme (UDAN 3), integrating a number of iconic tourism sites in coordination with the Ministry of Tourism ("MOT"). The key features of UDAN 3 include: inclusion of tourism routes in coordination with MOT, inclusion of seaplanes for connecting water aerodromes and bringing in a number of routes in the north-east region under the ambit of UDAN.

The MoCA launched fourth round of RCS on December 3, 2019 under the UDAN Scheme (UDAN 4), to further enhance the connectivity to remote and regional areas of the country. The key features of UDAN 4 includes revision of viability gap funding, promoting short-haul routes, well defined prioritization framework, flexibility to change the flight operation frequency and inclusion of helicopter and sea plane operation under NSOP license.

Open Sky Policy

Under the National Civil Aviation Policy 2016, the Government of India has introduced the "Open Sky Policy," which aims at removing all restrictions on the number of flights to and from destinations in the South Asian Association for Regional Cooperation countries ("SAARC") (comprising India, Nepal, Bangladesh, Bhutan, Sri Lanka, Afghanistan, Maldives and Pakistan) and those located beyond a radius of 5,000 kilometers from Delhi. Pursuant to this policy, the Government of India is expected to enter into open sky service agreements on a reciprocal basis with contracting countries, which will provide for airlines from the participating countries to have an unlimited number of flights as well as seats to each other's jurisdictions and, specifically, to six airports in India: Delhi, Mumbai, Hyderabad, Kolkata, Bengaluru and Chennai.

India has also signed open sky service agreements with Jamaica, Guyana, the Czech Republic, Finland, Spain, Sri Lanka and Japan. The implementation of this policy in India would enable European airlines and SAARC airlines (which fall outside a radius of 5,000 kilometers from Delhi) to have unlimited access, in terms of number of flights and seats, to airports in India.

Route Dispersal Guidelines for Scheduled Air Operations

With a view to achieving better regulation of air transport services and taking into account the need for air transport services of different regions in the country, the Government of India, pursuant to its order dated March 1, 1994, has stipulated Route Dispersal Guidelines. According to these guidelines, which were revised on August 8, 2016 by the Government of India with a view to achieve better connectively of air transport services, all scheduled airline operators are required to deploy their services in Categories-II, II-A and III as follows:

(a) The operator will deploy at least 10% in Category II (routes connecting stations in North Eastern Region, Jammu and Kashmir, Himachal Pradesh, Uttrakhand, Andaman & Nicobar and Lakshdweep;

(b) The operator will deploy at least 10% in Category IIA (Routes within the North Eastern Region, Jammu and Kashmir, Himachal Pradesh, Uttrakhand, Andaman & Nicobar and Lakshdweep and Cochin-Agatti-Cochin); and

(c) The operator will deploy at least 35% in Category III (routes other than those in Category I, II and IIA) routes of the capacity deployed on Category-I routes.

Consolidated Guidelines by the Ministry of Home Affairs for the Containment of COVID-19 Pandemic

The Ministry of Home Affairs, GoI ("**MHA**") issued an order (applicable from March 25, 2020) (the "**MHA Order**") which imposed a general lockdown in the country and brought in effect guidelines aimed at containing the spread of the COVID-19 which had been declared as a pandemic by the World Health Organization (the "**MHA Guidelines**"). The MHA Guidelines laid down the measures to be taken by ministries and departments of the central and state governments to contain the proliferation of COVID-19.

With due consideration that the movement of people within the country by flights carrying a large number of persons will assist and aid in the spread of COVID-19, the GoI and MoCA via order dated March 23, 2020 directed cessation of operation of all scheduled domestic flights (except all cargo flights) by any airport operator holding an air operator certificate issued by DGCA India, the operation of flights by the holders of Non-scheduled operator permit (except all cargo flights, off-shore helicopter operations, medical evacuation flights or flights specifically approved by DGCA) and flights by private aircraft operators from March 24, 2020. All the airports were allowed to function for handling permitted flight operations. These restrictions were inapplicable to the aircraft/helicopters belonging to or being operated by on behalf of State/UT governments.

The GoI via order dated May 21, 2020 permitted the operation of domestic civil flights from May 25, 2020 to a limited extent of their respective approved capacity subject to specifications by MoCA. Pursuant to the limited operation of domestic civil flights, the MoCA in its order dated May 25, 2020 issued general instructions and detailed guidelines for air travel of passengers and major stakeholders (Airlines, Airports, Security Agencies, Ground Handling Agencies and Health Authorities, etc.) by incorporating necessary safeguards in consultation with experts and stakeholders. The instructions, *inter alia*, provided for no physical check-in at the airports, submission of self-declaration forms by the passengers declaring themselves to be free from COVID-19, cessation of meal services on board (except emergency medical services flight), sanitization of aircrafts after every trip and to avoid crowding while boarding and exiting the aircraft. To ensure that the airlines do not charge excessive fare and that journey is performed only for essential services, GoI, via Order No. AV-13011/1/2020-MoCA, dated May 21, 2020 fixed a fare band within which the airlines should charge fare. The minimum and maximum fares charged were based on sectors, classified on the basis of approximate duration of flight. The order further mandated that at least forty percent of the flight tickets be sold for the fare less than the mid fare between minimum and maximum fares. The fares were exclusive of the applicable charges in the form of UDF, PSF and GST.

After review of the current status of Scheduled Domestic Operations viz-a-viz passenger demands for air travel, the MoCA, via order no. 11/2020 dated December 3, 2020 has permitted the operation of domestic civil flights to a capacity of 80%. Further, the fare capping operational during the calibrated opening of the aviation sector has been extended to March 31, 2021, via order no. 12/2021 dated January 8, 2021 with the modification that instead of forty percent, only twenty percent of the tickets shall be sold for the fare less than the mid fare between minimum and maximum fares.

To contain the spread of COVID-19 pandemic, the GoI had taken measures to curtail inward/outward movement of international passengers (both foreigners and Indians) in a calibrated manner. The MHA Guidelines prohibited international air travel (except as permitted by MHA). In order to evacuate stranded Indians abroad, GoI launched 'Vande Bharat' mission. In addition, MoCA entered into the 'Air Transport Bubbles' arrangements with few countries to allow limited commercial passenger services on reciprocal basis. Such arrangements were subject to certain Standard Operating Protocol (SOP) laid down via MHA order dated August 22, 2020 for In-bound and Out-bound flights.

REGULATORY BODIES

Domestic aviation in India is jointly regulated by several Government departments and regulators, including the MoCA and its attached office, the Bureau of Civil Aviation Security ("BCAS") — which is the central agency for aviation security; the DGCA (an attached office of the MoCA) — which is responsible for the regulation of air transport services in India and for the enforcement of civil air regulations, air safety and airworthiness standards; AAI — which is responsible for the infrastructure in respect of airports; and AERA.

Ministry of Civil Aviation

The Ministry of Civil Aviation, Government of India is responsible for formulation of national policies and programs for the development and regulation of the civil aviation sector in the country. It is responsible for the administration of the Aircraft Act, the Aircraft Rules, and various other legislations pertaining to the civil aviation sector in India.

The MoCA has issued a policy on Regional and Remote Area Connectivity dated March 4, 2014, which aims to regulate and promote better air transportation services in regional and remote locations in India by providing incentives such as exemptions from landing and parking charges, waivers of electricity charges, etc.

The MoCA has also issued "Policy Guidelines on Air Freight Stations" dated October 28, 2014 to develop air freight stations in order to de-congest airports by shifting cargo and custom related activities outside airport areas and promote international air cargo operations in remote regions of the country.

Directorate General of Civil Aviation

The Directorate General of Civil Aviation is the principal regulatory body in the field of civil aviation in India and functions under the supervision of the Ministry of Civil Aviation. The DGCA, among other things, promulgates, implements and monitors standards relating to the operations and airworthiness of an aircraft, the licensing of personnel such as flight crew, cabin crew, flight dispatchers and aircraft maintenance engineers, the licensing of air transport operations, the licensing of civil aerodromes, the investigation of minor accidents, etc. The detailed terms and conditions of these standards, including, without limitation, the authorities involved, the application processes and the requirements of renewal, are prescribed by the Aircraft Act, the Aircraft Rules, the Civil Aviation Requirements ("CAR") and the Air Transport Advisory Circulars ("ATAC").

- The primary responsibilities of the Directorate General of Civil Aviation include:

- regulation of air transport services to, from and within India in accordance with the provisions of the Aircraft Rules, 1937, including entering into bilateral and multilateral agreements with foreign countries and the policy pronouncements of the government;

- registration of civil aircraft;

- carrying out the safety oversight and administrative and regulatory functions in respect of matters specified in the Aircraft Act or the rules made thereunder;

- formulation of standards of airworthiness for civil aircraft registered in India and grant of certificates of airworthiness to such aircraft;

- licensing of pilots, aircraft maintenance engineers and flight engineers;

- licensing of air traffic controllers;

- certification of aerodromes and communication navigation and surveillance / air traffic management facilities;

- granting air operator's certificates to Indian carriers and regulation of air transport services operating to/from/within/over India by Indian and foreign operators, including clearance of scheduled and non-scheduled flights of such operators;

- conducting investigation into incidents and serious incidents involving aircraft up to 2250 kg AUW;

- carrying out amendments to the Aircraft Act, the Aircraft Rules and the civil aviation requirements ("Civil Aviation Requirements") in compliance with the amendments to ICAO annexes, and initiating proposals for amendments to any other act or for the passing of new acts in order to give effect to international conventions;

- rendering advice to the Government of India on matters relating to air transport, including bilateral air services agreements, and to act as an overall regulatory and developmental body for civil aviation in the country; and

- co-ordination at the national level for the flexible use of air space by civil and military air traffic agencies and interaction with ICAO for the provision of more air routes for civil use through Indian air space.

Pursuant to the provisions of the Aircraft Act and the Aircraft Rules, the DGCA has issued various Civil Aviation Requirements in relation to the minimum operational requirements of an airport, air safety, the airworthiness of aircraft, air transport and flight crew.

The Company is required to comply with the provisions of the Civil Aviation Requirements as it is in the business of developing and maintaining the Airport.

Bureau of Civil Aviation Security

BCAS is the regulator for civil aviation security in India under the supervision of the MoCA. It lays down and ensures compliance with standards and measures in respect of the security of civil flights at international and domestic airports in India and the security of Indian aircraft operators at foreign airports and the pre-embarkation security and anti-sabotage measures for civil flights. BCAS is also responsible for the development, implementation and maintenance of the National Civil Aviation Security Programme.

- The primary responsibilities of BCAS include:

- laying down aviation security standards in accordance with Annex 17 to the Chicago Convention for airport operators and their security agencies responsible for implementing aviation security measures;

- monitoring the implementation of security rules and regulations and carrying out surveys of security needs;

- ensuring that the persons implementing security controls are appropriately trained and that they possess all competencies required to perform their duties;

- planning and coordinating aviation security matters; and

- conducting checks to test the professional efficiency and alertness of security staff including mock exercises to test efficacy of contingency plans and operational preparedness of the various agencies.

Airports Economic Regulatory Authority of India

AERA determines and regulates the charges for aeronautical services and monitors the performance standards of major airports. It encourages investment in airport facilities, protects the reasonable interests of users, and promotes the operation of efficient, economic and viable airports.

- The statutory functions of the AERA as prescribed in the AERA Act include:

- determining the tariff for aeronautical services, taking into consideration various factors, including the amount and timeliness of capital expenditure incurred to improve airport facilities, the type and quality of service provided and other relevant factors. However, the AERA shall not determine the tariff structure in the event the same had been mentioned in the bidding documents basis which the operatorship for the airport was awarded;

- determining the amount of the development fees for major airports;

- determining the amount of the passengers' service fee levied under rule 88 of the Aircraft Rules, 1937 made under the Aircraft Act;

- monitoring the set Performance Standards relating to quality, continuity and reliability of service as may be specified by the Government of India or any authorized entity on its behalf.

AERA performs such other functions relating to tariffs as may be entrusted to it by the Government of India or as may be necessary to carry out the provisions of the AERA Act.

OTHER RELEVANT REGULATIONS

Environmental

Environmental regulations in India require compliance by the airports with the existing environmental policy(s) and standards, including maintenance of noise levels at the airports within the prescribed regulatory standards. The key national environmental agencies are the Ministry of Environment and Forests, which is responsible for policy formulation, planning and coordination of all issues related to environmental protection, and the Central Pollution Control Board, which is the enforcing body at the national level. The Central Pollution Control Board also coordinates the activities of State Pollution Control Boards, establishes environmental standards, and plans and executes nationwide programs for prevention, control and abatement of pollution.

Under the Environment (Protection) Act, 1986, as amended, the regulations on environmental impact assessment were released by the Ministry of Environment, Forest and Climate Change ("MoEF") on September 14, 2006, as amended, (the "Environmental Impact Assessment Notification 2006"), in which the Government of India directed that construction of new projects (including airports) or activities or the expansion or modernization of existing projects or activities listed in the schedule of the Environmental Impact Assessment Notification 2006 will be undertaken only after the prior environmental clearance (as the project may require) from the Government of India or from the State or Union Territory Level Environment Impact Assessment Authority, constituted by the Government of India in consultation with the State Government or Union Territory Administration under the Environment (Protection) Act, 1986.

The following projects or activities shall require prior environmental clearance from the concerned regulatory authority, which shall hereinafter referred to be as the GoI in the Ministry of Environment and Forests for matters falling under category 'A' in the schedule and at State level the State Environment Impact Assessment Authority for matters falling under category 'B' in the said Schedule, before any construction work, or preparation of land by the project management except for securing the land, is started on the project or activity:

(i) All new projects or activities listed in the schedule to the Environmental Impact Assessment Notification, 2006, as amended ("EIA Notification");

(ii) Expansion and modernization of existing projects or activities listed in the schedule to the EIA Notification with addition of capacity beyond the limits specified for the concerned sector, that is, projects or activities which cross the threshold limits given in the Schedule, after expansion or modernization;

(iii) Any change in product — mix in an existing manufacturing unit included in Schedule beyond the specified range.

The environmental clearance process for new projects will comprise of a maximum of four stages, all of which may not apply to particular cases as set forth below in the EIA Notification. These four stages in sequential order are:

Stage (1) Screening (only for category 'B' projects and activities)

Stage (2) Scoping

Stage (3) Public Consultation

Stage (4) Appraisal

The Central Government, in exercise of the powers conferred under Environment (Protection) Act, 1986 has published the draft notification namely, Draft Environment Impact Assessment Notification, 2020 to address the unprecedented situation arising from the global outbreak of COVID-19.

The GoI and MoEF via Gazette notification dated November 27, 2020 extended the validity of prior environmental clearances granted under the provisions of EIA Notification, 2006 in respect of the projects or activities whose validity is expiring in the Financial Year 2020-2021 shall deemed to be extended till the 31st March, 2021 or six months from the date of expiry of validity, whichever is later. Such extension is subject to same terms and conditions of the prior environmental clearance in the respective clearance letters, to ensure uninterrupted operations of such projects or activities which have been stalled due to the outbreak of Corona Virus (COVID-19) and subsequent lockdowns (total or partial) declared for its control.

The Water (Prevention and Control of Pollution) Act, 1974 provides for the constitution of the Central Pollution Control Board (the "CPCB") and the State Pollution Control Boards (the "SPCB"). The primary functions of the CPCB include advising the Government of India on any matter concerning the prevention and control of water pollution, coordinating activities of the SPCBs and resolving disputes among them. The Air (Prevention and Control of Pollution) Act, 1981 has brought all matters relating to air pollution within the ambit of the CPCB and SPCBs. The CPCB and SPCBs lay down the regulatory standards for controlling air and water pollution from time to time.

Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016

The Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 , as amended, (the "**Waste Rules**") fixes the responsibility of the occupier of the premises and the person in possession of hazardous or other waste to properly collect, treat, store or dispose the hazardous wastes without adverse effects on the environment. Moreover, they must take steps to ensure that persons working on the site are given adequate training and equipment for performing their work. When an accident occurs at the facility of the occupier handling hazardous or other waste or during transportation of the same, then the SPCB has to be immediately alerted. The occupier is liable for all damages caused to the environment or a third party due to improper handling and management of the hazardous and other waste, and in addition, may be fined for any violation of the Wastes Rules.

Noise Pollution (Regulation and Control) Rules, 2000

With respect to the noise pollution the MoEF has issued the Noise Pollution (Regulation and Control) Rules, 2000 in exercise of its powers under the Environment (Protection) Act, 1986. The rules provide for standards in respect of noise levels for different area/zones as specified in the rules. The noise levels in any area will not exceed the specified levels, and the CPCB and SPCBs are entrusted with the responsibility of devising effective measures for the prevention, control and abatement of noise pollution. The DGCA has, through its various environment circulars issued from time to time, mandated adoption of several measures by the airlines, airport service providers and airports to ensure protection of the environment. Provided below are brief details of some of the key circulars:

The DGCA through Aviation Environment Circular 1 of 2009, which was subsequently revised on August 10, 2011, has provided guidelines for creation of aviation environmental cell in airlines, aerodrome operators and air navigation services provider organizations in order to address aviation environmental issues. The environmental cell plays an important role in resolving issues pertaining to aviation environment areas and is responsible for maintaining data and information pertaining to fuel consumption, carbon emissions, energy demand, etc and developing future action plans to reduce the carbon footprint of their respective organizations.

The Civil Aviation Requirements, Section 10, Series A, Part I ("CAR") was issued by the office of the Director General of Civil Aviation on December 18, 2014. The CAR deals with noise management of aircraft operations at airports. The CAR mentions the general requirements, practices and procedures to be followed by the stakeholders in order to manage the noise generated from aircraft operations inside and in the vicinity of all airports and to reduce its adverse impact on human beings and the environment without hampering the sustainable growth of the industry. The CAR is applicable to airports meeting the criteria as mentioned in the Requirement and Procedure for Monitoring Ambient Noise Level due to Aircrafts issued by the Central Pollution Control Board, Ministry of Environment & Forest ("MOEF") in June 2008 and all Indian scheduled and non-scheduled passenger and cargo aircraft operators engaged in commercial operations including general aviation.

The provisions of the CAR are not applicable to flights undertaken by the Ministry of Defence in the national interest and for carrying VVIP, Heads of State and other eminent personalities and under any emergency situation where it is not possible to follow noise abatement procedure due to technical reasons from a safety point of view. In addition, flights engaged in search & rescue, patrolling, fire-fighting, humanitarian missions, emergency medical service purposes are also exempted.

The office of the Directorate General of Civil Aviation on August 5, 2015 has also issued. the Civil Aviation Requirements, Section 10, Series B, Part I ("CAR-2"). The CAR 2 deals with climate change initiatives and local air quality monitoring in civil aviation. Subsequently, the Civil Aviation Requirements, Section 10, Series C, Part

I ("CAR-3") has been issued by the office of the Director General of Civil Aviation on December 24, 2018. The CAR 3 has been issued to formulate regulations towards MRV and offsetting requirements for all aeroplane operators based on International Civil Aviation Organization's International Standards and Recommended Practices. CAR-2 and CAR-3 have been issued in compliance with Section 5A sub-section 1 of the Aircraft Act, 1934, in conjunction with rule 29C of the Aircraft Rules, 1937, as amended from time to time. The CAR- 2 and CAR-3 stipulate the general requirements, procedures and practices to be adhered to by all stakeholders and organizations that are engaged in activities that directly or indirectly impact climate change and local air quality around airports. The objectives of CAR-2 and CAR-3 is to manage the adverse impact of aviation activities on the atmosphere leading to sustainable growth of the industry.

Foreign Exchange Management Act, 1999

The objective of the Foreign Exchange Management Act, 1999, as amended, (the "FEMA") is to facilitate external trade, payments and promotion of orderly development and maintenance of foreign exchange market in India. RBI is responsible for administration of the FEMA. The government bodies responsible for granting foreign investment approvals are the concerned ministries and departments of the Government of India and the RBI. The Union Cabinet has approved phasing out the Foreign Investment Promotion Board, as provided in the press release dated May 24, 2017. Accordingly, pursuant to the office memorandum dated June 5, 2017, issued by the Department of Economic Affairs, Ministry of Finance, approval of foreign investment under the FDI policy has been entrusted to concerned ministries/departments. Subsequently, the Department of Industrial Policy & Promotion ("DIPP") (now known as the Department for Promotion of Industry and Internal Trade or "DPIIT") issued the Standard Operating Procedure for Processing FDI Proposals on June 29, 2017 (the "SOP"). The SOP, modified from time to time, provides a list of the competent authorities for granting approval for foreign investment for sectors/activities requiring Government approval. For sectors or activities that are currently under automatic route but which required Government approval earlier as per the extant policy during the relevant period, the concerned administrative ministry/department shall act as the competent authority (the "Competent Authority") for the grant of post facto approval of foreign investment. In circumstances where there is a doubt as to which department shall act as the Competent Authority, the DPITT shall identify the Competent Authority. The DPITT has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict between the policy pronouncements and FEMA, FEMA prevails.

External Commercial Borrowings

Indian companies are allowed to take on external commercial borrowings ("ECB"), including commercial-bank loans, buyers' credit, suppliers' credit, and to raise loans overseas through secured instruments under the Foreign Exchange Management (Borrowing and Lending) Regulations, 2018, read together with the Master Direction on External Commercial Borrowings (the "ECB Master Directions"), Trade Credits and Structured Obligations dated March 26, 2019, issued by RBI and updated till August 08, 2019 read with Master Direction on Reporting under Foreign Exchange Management Act, 1999, dated January 1, 2016, each as amended (the "ECB Master Directions").

ECB can be availed under two routes: (i) the automatic route; and (ii) the approval route. The automatic route does not require a borrower to obtain any RBI approvals, whereas the approval route requires (a) a prior RBI approval and (b) examination of the cases by the Authorised Dealer Banks (the "AD Banks"), and which refers to circumstances where prior RBI approval is mandatory before raising an ECB. The ECB Guidelines classify ECBs under the following categories:

(i) foreign currency denominated ECB ("FCY denominated ECB"); and

(ii) rupee denominated ECB ("INR denominated ECB").

Automatic route

Under the automatic route, all entities eligible to receive FDI have been classified as recognized borrowers for raising FCY denominated ECB and INR denominated ECB. Further, the following entities are also eligible to raise ECB:

(a) port trusts;

(b) units in special economic zones;

(c) Small Industries Development Bank of India ("SIDBI");

(d) Export Import Bank of India ("EXIM"); and

(e) Registered entities engaged in micro-finance activities, namely, registered not for profit companies, registered societies/trusts/cooperatives and non-government organisations (permitted only to raise INR denominated ECB).

The foreign lenders eligible to provide both categories of ECBs are as follows:

(a) the lenders should be resident of FATF Compliant Country or IOSCO Compliant Country, including on transfer of ECBs;

(b) multilateral and regional financial institutions where India is a member country; and

(c) Individuals as lenders can only be permitted if they are foreign equity holders or for subscription to bonds/debentures listed abroad.

Pursuant to the ECB Guidelines any resident of a Financial Action Task Force or International Organization of Securities Commissions compliant country will qualify as a recognized lender or investors eligible to provide ECBs to Indian entities. Additionally, multilateral and regional financial institutions where India is a member country will also be considered as recognized lenders or investors. Further, the ECB Guidelines permit individuals as ECB lenders if they are foreign equity holders or if the ECB is raised by way of bonds or debentures which are listed abroad.

The ECB Guidelines permit refinancing of existing ECB by fresh ECB provided that the outstanding maturity of the original borrowing is not reduced and all-in-cost of fresh ECB is lower than the all-in-cost of existing ECB. Further Indian banks' foreign branches and subsidiaries are permitted to participate in refinancing of existing ECB, for highly rated corporates (AAA) and for Maharatna/Navratna public sector undertakings.

Foreign branches and subsidiaries of Indian banks are permitted as recognized lenders only for FCY denominated ECB (except foreign currency convertible bonds and foreign currency exchangeable bonds). Foreign branches and subsidiaries of Indian banks, subject to applicable prudential norms issued by the Department of Banking Regulation of the Reserve Bank, can participate as arrangers, underwriters and market-makers and traders for Rupee denominated bonds issued overseas. However, underwriting by foreign branches/ subsidiaries of Indian banks for issuances by Indian banks will not be allowed.

ECB proceeds under FCY denominated ECBs and INR denominated ECBs can be utilized for all purposes except (i) real estate activities; (ii) investment in capital markets; (iii) equity investments; (iv) working capital

purposes except ECB raised (a) from foreign equity holder for working capital purposes with a minimum average maturity period of 5 years; (b) for working capital purposes with a minimum average maturity period of 10 years; and (c) for on-lending by NBFCs for working capital purposes with a minimum average maturity period of 10 years; (v) general corporate purposes except ECB raised (a) from foreign equity holders for general corporate purposes with a minimum average maturity period of 5 years; (b) for general corporate purposes with a minimum average maturity period of 10 years; and (c) for on-lending by NBFCs for general corporate purposes with a minimum average maturity period of 10 years; (vi) repayment of Rupee loans except ECB raised for (a) repayment of Rupee loans availed domestically for capital expenditure with a minimum average maturity period of 7 years; and (b) repayment of Rupee loans availed domestically for purposes other than capital expenditure with a minimum average maturity period of 10 years; and (vii) on lending to the entities for the above stated purposes except ECB raised for (a) on-lending by NBFCs for the same purpose with a minimum average maturity period of 7 years; and (b) on-lending by NBFCs for the same purpose with a minimum average maturity period of 10 years.

Further, the maximum amount which can be raised every fiscal year under the automatic route is USD 750 million. Further, in case of FCY denominated ECB raised from direct foreign equity holder ECB liability-equity ratio for ECBs raised under the automatic route cannot exceed 7:1. However, this ratio will not be applicable if outstanding amount of all ECBs, including proposed one, is up to USD 5 million or equivalent. Further, the borrowing entities will also be governed by the guidelines on debt equity ratio issued, if any, by the sectoral or prudential regulator concerned.

Hedging: The entities raising ECB are required to follow the guidelines for hedging issued, by the concerned sectoral or prudential regulator in respect of foreign currency exposure. Infrastructure space companies shall have a board approved risk management policy. Further, such companies are required to mandatorily hedge 70% of their ECB exposure in the event the average maturity of ECB is less than five years. The ECB borrower will be required to cover principal as well as coupon through financial hedges. The financial hedge for all exposure on account of ECB should start from the time of each such exposure (i.e. the day liability is created in the books of the borrower). A minimum tenor of one year of financial hedge would be required with periodic rollover duly ensuring that the exposure on account of ECB is not unhedged at any point during the currency of ECB.

Natural hedge, in lieu of financial hedge, will be considered only to the extent of offsetting projected cash flows or revenues in matching currency, net of all other projected outflows. For this purpose, an ECB may be considered naturally hedged if the offsetting exposure has the maturity/cash flow within the same accounting year. Any other arrangements/ structures, where revenues are indexed to foreign currency will not be considered as a natural hedge.

The all-in cost (which includes rate of interest, other fees and expenses in foreign currency or Rupees but does not include commitment fees, payments for withholding tax in Rupees), for both FCY ECB and INR ECB is set at the benchmark rate plus 450 basis points spread. As per the ECB Guidelines, various components of all-in-cost have to be paid by the ECB borrower without taking recourse to the drawdown of ECB, i.e. ECB proceeds cannot be used for payment of interest or charges. Prepayment charge or penal interest, if any, for default or breach of covenants, should not be more than 2% over and above the contracted rate of interest on the outstanding principal amount and will be outside the all-in-cost ceiling.

Approval route

All ECBs falling outside the automatic route limits are considered by the RBI under the approval route; namely, ECBs which can be obtained with prior RBI approval.

Guarantee

Issuance of any type of guarantee by Indian banks, All India Financial Institutions and NBFCs relating to ECB is not permitted.

Creation of Security for raising ECB

Under the revised ECB framework, AD banks are allowed to permit the creation or cancellation of a charge on immovable assets, movable assets, financial securities and issue of corporate and/or personal guarantee in favor of overseas lender or security trustee to secure the ECB to be raised by the borrower as long as the following conditions are satisfied:

(a) the ECB should be in compliance with applicable ECB guidelines;

(b) in the event of enforcement of the charge or other security interest, the immovable asset (property) cannot be transferred to a non-resident and has to be sold only to a person resident in India and the sale proceeds used to repay the outstanding loan.

(c) the period of the charge has to be the same as the loan maturity; in case of immovable assets: the 'no objection' certificate is not to be construed as a permission to acquire immovable asset (property) in India, by a non-resident lender or security trustee;

(d) the loan agreement should have a security clause requiring the ECB Borrower to create or cancel a charge, in favor of overseas lender or security trustee, on immovable assets/movable assets/financial securities/issuance of corporate and/or personal guarantee and

(e) no objection certificate from the existing lenders in India has to be obtained for the creation of a charge.

Once the aforesaid conditions are met, the AD Bank can allow creation of charge on immovable assets, movable assets, financial securities and issue of corporate and/or personal guarantee during the currency of the ECB in compliance with the conditions laid down in respect of kinds of security created under the revised ECB framework.

Creation of Charge on immovable assets

The 'no objection' certificate is not to be construed as a permission to acquire immovable asset (property) in India, by a non-resident lender or security trustee; and in the event of enforcement of the charge or other security interest, the immovable asset (property) cannot be transferred to a non-resident and has to be sold only to a person resident in India and the sale proceeds used to repay the outstanding loan.

Creation of Charge on Movable Assets

In the event of enforcement of the charge over movable assets, the claim of the lender, whether the lender takes possession over the movable asset or otherwise, will be restricted to the outstanding claim against the ECB.

Filing and regulatory requirements in relation to issuance of Notes

The ECB borrower is required to obtain a loan registration number ("LRN") from the RBI before an issuance of Notes is effected. To obtain this, ECB borrowers are required to submit a completed Form ECB

which also contains the terms and conditions of the ECB, certified by a company secretary or a chartered accountant, in duplicate to the AD Bank. The AD Bank is then required to forward the completed Form ECB to the RBI.

The ECB borrower is also required to submit an ECB-2 Return on a monthly basis via its AD Bank to the RBI and any other monthly and annual filings as well as event-based filings as set out in the ECB Master Directions.

Procedure in relation to any change to the Terms and Conditions of the Notes

Any change in the terms and conditions of the Notes after obtaining the LRN requires the prior approval of the RBI or AD Bank, as the case may be. Certain changes (such as amendments to the repayment date, currency, the name of the borrower, recognized lender, the purpose for which the ECB is utilized, all-in costs, cancellation of LRN, reduction in amount of the ECB or any change to the AD Bank) may be approved by the AD Bank under a delegated authority from the RBI subject to certain conditions being complied with. Any redemption of the Notes prior to their stated maturity, including on occurrence of an early redemption event, event of default or for taxation reasons (as further described in the Terms and Conditions of the Notes) will require the prior approval of the RBI or the AD Bank, as the case may be.

Indemnity

Remittances of funds outside of India by us pursuant to indemnity clauses under the terms and conditions of the Notes, or any other agreements in relation to the Notes, requires prior RBI approval.

COVID-19 Regulatory Framework

In light of the recent COVID-19 pandemic, the RBI has notified various regulatory frameworks and relaxations to taken/to be availed by the respective banks and financial institutions to deal with the disruptions caused by the pandemic. The RBI, vide its circular titled 'COVID-19 — Operational and Business Continuity Measures' dated March 16, 2020, has provided an indicative list of steps to be taken by banks/financial institutions as part of their operations and business continuity plans. These include among others, steps to encourage their customers to use digital banking facilities, to take steps of sharing important instructions/strategy with the staff members at all levels and sensitizing the staff members about preventive measures/steps to be taken in suspected cases, based on the instructions received from health authorities, from time-to-time, and to take stock of critical processes and revisiting Business Continuity Plan (BCP) in the emerging situations/scenarios with the aim of continuity in critical interfaces, and preventing any disruption of services, due to absenteeism either driven by the individual cases of infections or preventive measures.

The RBI, vide its circular titled 'COVID-19—Regulatory Package' dated March 27, 2020, announced certain regulatory measures to mitigate the burden of debt servicing brought about by disruptions on account of the COVID-19 pandemic, and to ensure the continuity of viable businesses. In furtherance of the same, lending institutions were permitted to grant a moratorium of 3 months on payment of all installments in respect of all term loans (including agricultural term loans, retail and crop loans) ("Moratorium Period") falling due between March 1, 2020 and May 31, 2020. Additional relaxations were also granted in relation to the calculation of 'drawing power' in respect of working capital facilities sanctioned in the form of cash credit/overdraft to borrowers. Such measures would not result in asset classification downgrade. The RBI vide its circular dated April 17, 2020 provided detailed instructions in relation to the extension of resolution timelines under the Prudential Framework on Resolution of Stressed Assets. In respect of accounts which were within the review period as of March 1, 2020, the period from March 1, 2020 to May 31, 2020 shall be excluded from the

calculation of the 30-day timeline for the review period. In respect of all such accounts, the residual review period shall resume from June 1, 2020, upon expiry of which the lenders shall have the usual 180 days for resolution. In respect of accounts where the review period was over, but the 180-day resolution period had not expired as of March 1, 2020, the timeline for resolution shall get extended by 90 days from the date on which the 180-day period was originally set to expire.

Subsequently, the RBI vide its circular dated May 23, 2020, further permitted the lending institutions to extend the Moratorium Period on payment of all installments in respect of term loans (including agricultural term loans, retail and crop loans) by another 3 months, i.e., from June 1, 2020 to August 31, 2020. In relation to working capital facilities sanctioned in the form of cash credit/overdraft, lending institutions were permitted to allow a deferment of another 3 months, from June 1, 2020 to August 31, 2020, on recovery of interest applied in respect of all such facilities. In respect of such working capital facilities sanctioned in the form of cash credit/ overdraft to borrowers facing stress on account of the economic fallout of the pandemic, lending institutions could, as a one-time measure, (i) recalculate the 'drawing power' by reducing the margins until August 31, 2020. However, in all such cases where such a temporary enhancement in drawing power is considered, the margins must be restored to the original levels by March 31, 2021; and/or, (ii) review the working capital sanctioned limits up to March 31, 2021, based on a reassessment of the working capital cycle. In respect of such working capital facilities, lending institutions were also permitted, at their discretion, to convert the accumulated interest for the deferment period up to August 31, 2020, into a funded interest term loan which shall be repayable not later than March 31, 2021.

Further, the RBI through its 'Statement on Developmental and Regulatory Policies' dated August 6, 2020, stated that with the intent to facilitate revival of real sector activities and mitigate the impact on the ultimate borrowers, it had been decided to provide a separate window under the 'Prudential Framework on Resolution of Stressed Assets' dated June 7, 2019 to enable the lenders to implement a resolution plan in respect of eligible corporate exposures without change in ownership, and personal loans, while classifying such exposures as standard (as set out under the Prudential Framework on Resolution of Stressed Assets dated June 7, 2019) subject to specified conditions. The RBI has also issued a notification on August 6, 2020 titled 'Resolution Framework for COVID-19-related Stress' ("**COVID-19 Resolution Framework**"). Under the Covid-19 Resolution Framework, lending institutions are required to frame policies, as approved by their board of directors, for implementation of viable resolution plans for eligible borrowers pursuant to the Covid-19 Resolution Framework and ensure that the resolution plans under this facility are extended only to borrowers bearing stress on account of the COVID-19 pandemic.

The RBI, vide its circular dated September 7, 2020 on 'Resolution Framework for COVID-19-related Stress—Financial Parameters', laid down key ratios to be mandatorily considered while finalizing the resolution plans in respect of eligible borrowers under the COVID-19 Resolution Framework. Further, it also laid down, sector specific thresholds to be considered by the lending institutions, intended as floors or ceilings, in the resolution assumption with respect to an eligible borrower. The resolution plans shall take into account the pre-COVID-19 operating and financial performance of the borrower and impact of COVID-19 on its operating and financial performance at the time of finalizing the resolution plan, to assess the cashflows in subsequent years, while stipulating appropriate ratios in each case. Lending institutions are free to consider other financial parameters as well while finalizing the resolution assumptions in respect of eligible borrowers apart from the above mandatory key ratios and the sector-specific thresholds that have been prescribed.

The Insolvency and Bankruptcy Code, 2016

The Insolvency and Bankruptcy Code, 2016, as amended (the "Bankruptcy Code") came into force with effect from August 5, 2016. The Bankruptcy Code primarily consolidates the existing insolvency laws, *inter alia*, relating to companies, bodies corporate and individuals with the objective of providing clarity and consistency, in

treatment, to all the stakeholders in the insolvency process. The Bankruptcy Code establishes an Insolvency and Bankruptcy Board of India ("Board") which, *inter alia*, function as a regulator to oversee functioning of insolvency professionals, insolvency professional agencies and information utilities. The Board exercises a range of legislative, administrative and quasi-judicial functions. The Bankruptcy Code classifies creditors into, *inter alia*, financial creditors (i.e., creditors who have disbursed debt along with interest (if any) against the consideration for time value of money) and operational creditors (i.e., creditors who have a claim in respect of the provision of goods or services including employment or payment in respect of statutory dues). The Bankruptcy Code proposes to appoint specialized insolvency professionals tasked with the duty to oversee and to assist companies and corporate bodies through the insolvency process. The Bankruptcy Code provides a 330 days timeline for insolvency resolution applications including any delays on account of litigation in cases of companies. As part of the insolvency resolution process, the insolvency resolution plan prepared by the resolution applicant has to be approved by the committee of creditors by a vote not less than 66% of voting share of the financial creditors and subsequently by the adjudicating authority and, if rejected, the adjudicating authority will pass an order for liquidation.

The National Company Law Tribunal having territorial jurisdiction over the registered office of the corporate debtor is the adjudicating authority with jurisdiction over companies and limited liability entities. However, the provisions and sections under the Bankruptcy Code are being promulgated in a staggered manner and some provisions and sections are not effective yet. To the extent promulgated, the Bankruptcy Code has amended relevant provisions of, *inter alia*, the Companies Act, 2013, and the other legislations as specified therein, and will further amend relevant provisions of the Companies Act, 2013, and such specified legislations upon future notification of the Bankruptcy Code.

The Insolvency and Bankruptcy Code (Amendment) Act, 2019 (the "Amendment") that was notified on August 6, 2019 has inter alia, mandated that the corporate insolvency resolution process be completed within an overall timeline of 330 days from the insolvency commencement date. The Amendment has also clarified that a resolution plan under the Bankruptcy Code may include provisions for restructuring of the corporate debtor, including by way of mergers, amalgamations and demergers.

In view of the COVID-19 pandemic, the Bankruptcy Code was amended to insert Section 10A to temporarily suspend the initiation of corporate insolvency resolution process for a period of six months for any default arising on or after March 25, 2020. This period was extended by three months from September 25, 2020 pursuant to a government notification, and further for an additional three months from December 25, 2020 pursuant to a subsequent notification.

Recovery of Debts and Bankruptcy, Insolvency Resolution and Bankruptcy of Individuals and Partnership Firms Act, 1993

The Recovery of Debts and Bankruptcy, Insolvency Resolution and Bankruptcy of Individuals and Partnership Firms Due to Banks and Financial Institutions Act, 1993, as amended (the "**Debts Recovery Act**") provides for establishment of Debt Recovery Tribunals ("**DRT**") for expeditious adjudication and recovery of debts due to any bank or public financial institution or to a consortium of banks and public financial institutions. Under the Debts Recovery Act, the procedures for recoveries of debt have been simplified and time frames have been fixed for speedy disposal of cases. Upon establishment of the DRT, no court or other authority can exercise jurisdiction in relation to matters covered by the Debts Recovery Act except the Supreme Court and High Court exercising jurisdiction under Articles 226 and 227 of the Constitution of India, in relation to matters specified in Section 17 of the Debts Recovery Act. The Securitization Act Amendment Act amended the Debts Recovery Act. It authorized a bank or a financial institution to take proceedings under Debts Recovery Act before a tribunal in whose jurisdiction where the defaulted account is maintained or located, upon service of summons under the Debts Recovery Act, is restricted from transferring the secured assets or other assets.

Employment and Labour Laws

The employment of workers in the Company is regulated by a wide variety of generally applicable labor laws, including the Contract Labour (Regulation and Abolition) Act, 1970, as amended, the Minimum Wages Act, 1948, as amended, the Equal Remuneration Act, 1976, as amended, the Payment of Bonus Act, 1965, as amended, the Payment of Wages Act, 1936, as amended, the Payment of Gratuity Act, 1972, as amended, the Employees' Provident Funds and the Miscellaneous Provisions Act, 1952, as amended, the Employee's Compensation Act, 1923, as amended, the Employee State Insurance Act, 1948, as amended, the factories Act, 1948, as amended and the Industrial Disputes Act, 1947, as amended.

Code on Wages, 2019

The Code on Wages, 2019 (the "Wage Code") seeks to consolidate and amend four existing labour laws relating to wages, namely, the Equal Remuneration Act, 1976, the Minimum Wages Act, 1948, the Payment of Wages Act, 1936 and the Payment of Bonus Act, 1965. Though the Wage Code received the President's assent on August 8, 2019, it will be brought into force only once the appointed date for its implementation is notified by the GoI. It may be noted that the GoI is empowered to bring into force the various provisions of the Wage Code in a staggered manner. The GoI so far has notified provisions related to Advisory Board. The Wage Code proposes to extend the benefits and make the requirements prescribed with respect to payment of wages and minimum wages applicable to all types of establishments irrespective of their nature of business or activities. The Wage Code proposes a common definition of the term "wages" as opposed to the separate definitions in the erstwhile laws. This will enable employers to take a consistent and uniform approach and avoid multiple interpretations. The Wage Code makes it mandatory for the employer to pay within seven days from expiry of succeeding month, irrespective of the size of the establishment. The Wage Code has introduced stringent penalties in cases of contravention. It introduces the concept of "floor wages", which will be fixed by the GoI taking into account the minimum living standards of a worker. Once the Wage Code comes into force, the minimum rates of wages fixed by the state government cannot be less than floor wages as determined by the GoI.

The Code on Social Security, 2020

The Code on Social Security, 2020 (the "**Social Security Code**") amends and consolidates nine existing labor laws, namely the Employees' Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Cine Workers Welfare Fund Act, 1981, the Building and Other Construction Workers' Welfare Cess Act, 1996, the Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959, and the Unorganised Workers' Social Security Act, 2008. It proposes to universalize social security and extend it to all workers, including gig workers. The Social Security Code proposes the creation of the following social security organizations namely, the Central Board of Trustees for the Employees Provident Fund, the Employees State Insurance Corporation, the National Social Security Board for unorganized workers, the State Unorganised Workers' Social Security Board, and the State Building Workers' Welfare Boards to administer the various social security schemes included in the Social Security Code. The benefits of the schemes are proposed to be paid out of funds comprising employer and employee contribution and may also include funds from the central or state government or from the corporate social responsibility fund. The Social Security Code empowers the GoI to exempt an establishment or class of establishment, from any or all provisions of the Social Security Code.

The Occupational Safety, Health and Working Conditions Code, 2020

The Occupational Safety, Health and Working Conditions Code, 2020 (the "**Safety, Health and Working Conditions Code**") was passed by the Lok Sabha and Rajya Sabha and received the assent of the President on

September 28, 2020; however, it is yet to be notified for implementation by the GoI. The Safety, Health and Working Conditions Code aims to regulate the occupational safety, health and working conditions of workers employed in establishments and subsumes 13 labor laws relating to safety, health and working conditions, namely, the Factories Act, 1948, the Contract Labor (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979, the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996, the Mines Act, 1952, the Dock Workers (Safety, Health and Welfare) Act, 1986, the Plantations Labor Act, 1951, the Working Journalists and Other Newspaper Employees (Conditions of Service) and Miscellaneous Provisions Act, 1955, the Working Journalists (Fixation of Rates of Wages) Act, 1958, the Motor Transport Workers Act, 1961, the Sales Promotion Employees (Conditions of Service) Act, 1976, the Beedi and Cigar Workers (Conditions of Employment) Act, 1966 and the Cine-Workers and Cinema Theatre Workers (Regulation of Employment) Act, 1981. The Safety, Health and Working Conditions Code seeks to widen its applicability to different types of workers such as audio-visual workers, inter-state migrants or sales promotion employees. It also attempts to promote gender equality by allowing women workers to work at night subject to obtaining their consent. The Safety, Health and Working Conditions Code further introduces the concept of deemed registration of establishments to circumvent the prolonged delays in administrative processes.

The Industrial Relations Code, 2020

The Industrial Relations Code, 2020 (the "**Industrial Relations Code**") was passed by Lok Sabha and Rajya Sabha and received the assent of the President on September 28, 2020; however, it is yet to be notified for implementation by the GoI. It seeks to replace three existing labor laws, namely the Industrial Disputes Act, 1947, the Trade Unions Act, 1926, and the Industrial Employment (Standing Orders) Act, 1946. The Industrial Relations Code aims to streamline industrial relations and help India improve on the ease of doing business index. Further, to impart flexibility to the exit provisions of employees, the threshold for prior approval of appropriate Government has been kept unchanged at 100 employees, however, a provision is proposed to be added for changing the number of employees through notification. This means that a parliamentary approval is no longer required to change the number of employees and it can be done solely by an executive order. At the same time, it protects workers by proposing to create a worker re-skilling fund, which is to be utilized for crediting to workers in the prescribed manner. In addition, the Industrial Relations Code provides a definition for fixed term employment of any duration across sectors which does not entail requirement of notice or retrenchment compensation. However, it makes provision for accrual of all statutory benefits such as social security and wages to such employees at par with regular employees.

Skill Development Initiatives of the Government of India

The Government of India has introduced several initiatives to promote the development of skills among the Indian population in a structured manner catering to all levels of the workforce. These include, among others, the National Policy on Skill Development and Entrepreneurship and the National Skill Development Mission.

The objectives of the National Policy on Skill Development and Entrepreneurship, 2015, are to provide an umbrella framework for all skills-based activities being carried out within the country in order to align them to common standards and to the relevant demand centers. In addition to providing the objectives and expected outcomes, the policy also aims at identifying the various institutional frameworks which can act as vehicles to reach the expected outcomes and to link skill development to improved employability and productivity. Similarly, the National Skill Development Mission introduced in 2014 attempts to provide skill training to the heterogeneous labor force consisting of youth, women, school drop outs, disabled, minorities and tribal groups.

Other initiatives targeted towards the skill development of the Indian population include the following:

(i) ***The Pradhan Mantri Kaushal Vikas Yojana***, with the primary objective of offering monetary incentives and a government certification to at least 2.4 million trainees on successful completion of a minimum of three months of training to assist them in securing a job for a better future. It envisages to enable a large number of Indian youth to take up industry-relevant skill training that will help them in securing a better livelihood.

(ii) ***The Skill Development Initiative***, with an aim of providing for skill-formation and skill up-gradation for facilitating the vertical and horizontal mobility of Indian workers, including recognition of prior learning for, for example, school dropouts and unorganized sector workers.

(iii) ***The Apprenticeship Training Scheme***, which envisages full utilisation of the facilities available in industry for imparting practical training with a view to meet the requirements of skilled manpower for the industry and thereby reducing employment mismatch.

MANAGEMENT

Our Board of Directors is responsible for, and has general powers with respect to the management and conduct of our business. The following sets forth certain information with respect to our directors and other senior management.

Directors

The table below sets forth certain information regarding our board of directors as at September 30, 2020.

Name	Age	Title
Mr. G. M. Rao	71	Executive Chairman
Mr. G.B.S. Raju	46	Managing Director
Mr. Srinivas Bommidala	57	Director
Mr. Grandhi Kiran Kumar	45	Director
Mr. R.S.S.L.N. Bhaskarudu	80	Independent Director
Mr. H.J. Dora	77	Director
Mr. NC Sarabeswaran	76	Independent Director
Mr. Madhu Ramachandra Rao	69	Independent Director
Mrs. Siva kameswari Vissa	56	Independent Director
Mr. C. Prasanna	60	Director
Mr. Jayesh Ranjan IAS	53	Director
Mr. K. Ramakrishna Rao IAS	55	Director
Mr. I. N. Murthy	58	Director
Dato' Mohd Shukrie Bin Mohd Salleh [(1)]	46	Director

Other than those interests and relationships disclosed in "Principal Shareholders" and "Related Party Transactions," no conflicts of interest exist between the private interests of the management team and the interests of the Company.

A description of the business experience and present employment of each of our directors is provided below.

G. M. Rao was appointed as Chairman to the Board of Directors of GHIAL in October 2003. He is the founder and Executive Chairman of the GMR Group. Prior to founding the GMR Group, he was a director on the board of Vysya Bank Limited for several years. It was around this time that India's rapidly growing economy and the government's liberalization policies attracted his interest in infrastructure development. He recognized opportunities in this sector and positioned the GMR Group as a leading player in infrastructure development in India. Under his leadership, the GMR Group has adopted a culture of professional-entrepreneurship where enterprise, speed and team excellence are critical ingredients.

He obtained a Bachelor's degree in Mechanical Engineering from Andhra University. He was conferred with the honorary doctor of laws by York University, Toronto, Canada in 2011, the honorary doctor of letters by the Andhra University, India in 2010 and honorary doctor of letters by the Jawaharlal Nehru Technological University, Hyderabad, India in 2005. He received the award for the "First Generation Entrepreneur of the Year" from CNBC TV18 in 2009. In the same year, he received the Infrastructure Person of the Year award at the Infrastructure Journal Award Ceremony held in London. He was also chosen as the "Entrepreneur of the Year" at the Economic Times Awards for Corporate Excellence 2006-07, in addition to numerous other awards and instances of public recognition throughout his career. He was appointed as the Executive Chairman of GHIAL from June 01, 2018.

Mr. G. B. S. Raju was appointed as Managing Director of GHIAL in June 2018. He has taken over as the Chairman of Airports, GMR Group from April 1, 2018. He joined the family business, the GMR Group, in 1996 at the age of 22, and was the Business Chairman of the Energy Sector for the last six years. During his stint in the Energy Sector, multiple power generation plants including transmission projects were implemented at various development phases, with an aggregate capacity of about 7,500 MW. The sector has a diversified portfolio of coal, gas, hydro, solar and wind based power projects. Mr. Raju has held multiple positions in key areas of business such as energy, airports and highways that are vital for India to fulfil its potential and economic development. He pioneered the development of power projects by setting up India's first and the world's largest floating barge mounted power plant – GMR Energy Ltd. As Group Chief Financial Officer, he also successfully led the GMR Group through GMR Infrastructure's initial public offering in 2006 and certain large qualified institutional placements and private equity investments in 2007, 2010 and 2011 involving entities in the energy and airport sectors of the GMR Group which raised proceeds of approximately US$3 billion.

Mr. Raju was a key player in leading the GMR Group's foray into the airport sector and in developing the Hyderabad, Delhi and Istanbul Airports and in winning the Cebu Airport (Philippines) and the Mopa Greenfield Airport in Goa (India) and Bhogapuram Greenfield Airport near Vishakhapatnam in Andhra Pradesh (India), as well as building projects such as the Sabiha Gokcen International Airport, Istanbul and a power project in Jurong Island in Singapore. Mr. G.B.S. Raju is the elder son of Mr. G.M. Rao. He obtained a Bachelor's degree in Commerce from University of Madras.

Srinivas Bommidala was appointed to as a director of the Board of Directors of GHIAL in July 2006. He is also the Chairman of the energy business at GMR Group. He entered his family tobacco export business in 1982, subsequently led the diversification into new businesses such as aerated water bottling plants and was also in charge of international marketing and management of the organization. Subsequently, as the Managing Director of GMR Power Corporation Private Limited ("GPCL"), he led the team responsible for setting up a diesel engine power plant located in Chennai, the first independent power project in the state of Tamil Nadu. As the Managing Director of Vemagiri Power Generation Limited, he led the implementation of the gas based power project in GMR Vemagiri, Andhra Pradesh. He has over 30 years of experience in the infrastructure, agriculture, fast moving consumer goods and services sectors. Mr. Bommidala served as the first Managing Director of DIAL and successfully handled the transition process in the initial years of the Concession. Prior to his current position, he held various senior positions in the GMR Group, including Managing Director of GHIAL (up to May 2018). Mr. Bommidala is the son-in-law of Mr. G. M. Rao.

He obtained a Bachelor's degree in Commerce from Nagarjuna University. He holds directorships in various GMR Group companies.

Grandhi Kiran Kumar was appointed as a director of the Board of Directors of GHIAL in October 2003. He has also led GMR Group's finance department and shared services, highways, construction, SEZs and allied businesses (excluding Airports SEZ) and Sports divisions. Prior to his current position, he was instrumental in taking forward the public-private partnership project development of the Airport. Under his stewardship, the GMR Group won the bid to develop the Sabiha Gokcen International Airport at Istanbul, Turkey. Mr. Kumar is the younger son of Mr. G. M. Rao.

He obtained a Bachelor's degree in Commerce from Osmania University. Among other directorships and positions, Mr. Kiran Kumar currently holds the positions of Chairman of the GMR Group's Group Finance and Corporate Strategy and GMR sports divisions, and Managing Director of GMR Infrastructure Limited.

R. S. S. L. N. Bhaskarudu was appointed as an independent director of the Board of Directors of GHIAL in June 2006. He is also a member of the Nomination and Remuneration Committee and the Corporate Social Responsibility Committee of GHIAL. Prior to joining GHIAL, he served more than 21 years at Bharat Heavy

Electricals Limited ("BHEL"). During his tenure at BHEL, Mr. Bhaskarudu was involved in the development and production of turbine generator sets, including auxiliaries, all over India. He worked for over 16 years with Maruti Udyog Limited from its inception, and served as its Managing Director. He has also served as a Member and Chairman of the Public Enterprises Selection Board of the Government of India. He obtained a Bachelor's degree (first class with honors) in Electrical Engineering from the College of Engineering, Andhra University.

H. J. Dora was appointed as a director of the Board of Directors of GHIAL in March 2009. Prior to joining GHIAL, he served as an Indian Police Service (IPS) officer in various districts through 1984. Thereafter, he served with the police intelligence for five years. From early 1989 to late 1992, he served with the Andhra Pradesh State Road Transport Corporation as its Vice Chairman and Managing Director. He later served as Commissioner of Police, Hyderabad from April 1993 to November 1995 and as Director General & Inspector General of Police, Andhra Pradesh from 1996 to 2002. He also worked as Director General, Central Industrial Security Force, Delhi and as Vigilance Commissioner, Central Vigilance Commission. He is the recipient of awards such as the "Police Medal of Gallantry," "Police Medal for Meritorious Service" and "President Police Medal for Distinguished Service."

N. C. Sarabeswaran was appointed to as an independent director of the Board of Directors of GHIAL in September 2014. He is the chairman of the Audit Committee and a member of Nomination and Remuneration Committee of GHIAL. He is a Chartered Accountant and the founding partner of M/s Jagannathan & Sarabeswaran, Chartered Accountants, an audit firm with more than 40 years of history. He is currently an Advisory Board member of a U.S. and Australian private equity fund, and a Director and Member of the audit committee of the largest micro finance company in Tamil Nadu. He was previously Nominee Director of the Reserve Bank of India, independent director on the Board of Vysya Bank Limited for 13 years, and the former President of the Indo- Australian Chamber of Commerce headquartered in Chennai. He is also chairman of the audit committee and member of the nomination and remuneration committee of GMR Infrastructure Limited. He obtained a Bachelor's degree in Science from Madras University. He is a Fellow Member of the Institute of Chartered Accountants of India.

Madhu Ramachandra Rao was appointed as an independent director of the Board of Directors of GHIAL in July 2018. He is a Chartered Accountant by profession. He was a partner with M/s. N. M. Raiji & Co., Chartered Accountants, for approximately 12 years from 1976 to 1988. Thereafter, Mr. Madhu Rao worked in Shangri- La Hotels & Resorts, Hong Kong for about 30 years from 1988 to 2017 in various capacities as Group Financial Controller, Chief Financial Officer, Executive Director and Vice Chairman. He has worked with three generations of Shangri-La Group in Hong Kong, was a member of the Executive Committee of the Board of Shangri-La Group and also participated in the growth of the company and its business from nine hotels starting in 1988 to 101 hotels at the time of his departure. He was actively involved in all core aspects of business including framing corporate and accounting policies and procedures, talent acquisition, investment analysis, marketing strategies, liaising with auditors, maintaining cordial investor relations, negotiating investment incentives with governmental authorities and corporate finance matters.

Siva Kameswari Vissa was appointed as an independent director of the Board of Directors of GHIAL in March 2015. She is a member of the Audit Committee of GHIAL. She is a Chartered Accountant by profession and has more than 24 years of experience comprising management consulting and industry sector experience. Her sector experience includes automotive, light & heavy engineering, process industries such as chemicals, petrochemicals, life sciences, FMCG, financial services, infrastructure, IT/ITES and retail. She has significant experience in the areas of business strategy, corporate planning, performance improvement, activity-based costing, supply chain, strategic cost reduction, IT strategy and implementation. At present, she is an independent management consultant and also offers financial advisory services.

C. Prasanna was appointed as a director of the Board of Directors of GHIAL in July 2010. He is a member of the Audit Committee, Nomination and Remuneration Committee, Share Transfer/Allotment Committee and

Corporate Social Responsibility Committee of GHIAL. Mr. Prasanna presently. acts as Executive Director—Kakinada SIR & Corporate Affairs (South) in GMR Group and has also additional responsibilities of Corporate Affairs for Bhogapuram airport in GMR Group. Mr. Prasanna has been associated with the GMR Group for over 26 years, Before joining GMR Group, he was associated with the Nagarjuna Group for over nine years. He was also the Finance Director of GMR Industries Limited and was responsible for the ferro alloys, breweries and sugar divisions.

Jayesh Ranjan was appointed as a director of the Board of Directors of GHIAL in January 2017. He is a member of the Corporate Social Responsibility Committee of GHIAL. He has been a member of the Indian Administrative Service ("IAS") since 1992. He is the Principal Secretary of the Information Technology Department, Government Telangana and also the Principal Secretary, Industries and Commerce Department, Government of Telangana. He was awarded the World Bank's Social Capital Visiting Scholarship in 2002 and the British Government's Gurukul Chevening Scholarship in 2005. Mr. Ranjan holds a master's degree in psychology from Delhi University, a degree in business management from the Indian Institute of Management, Calcutta, and a master's degree in public management from Lee Kuan Yew School of Public Policy, National University of Singapore.

K. Ramakrishna Rao was appointed as a director of the Board of Directors of GHIAL in April 2016. He is a member of the Audit Committee of GHIAL. Mr. Ramakrishna Rao Kudligi served in the IAS since 1991. He is currently the Principal Secretary of Finance Department of the Government of Telangana, responsible for the prudent and sustainable management of state finances. Mr. Rao leads the States Reorganization Department dealing with all matters related to the formation of the new State of Telangana and also in charge of the Directorate General of the Centre for Good Governance. Mr. Rao has held leadership positions in the fields of education and health care and was the Collector and District Magistrate of Adilabad and Guntur District. Mr. Rao holds a graduate and master's degree in engineering from the Indian Institute of Technology at Kanpur and Delhi, respectively.

I. N. Murthy was appointed as a director of the Board of Directors of GHIAL by AAI in March 2017. He is a member of the Nomination and Remuneration Committee and the Share Transfer/Allotment Committee of GHIAL. Mr. Indrakanti Narasimha Murthy has been as Member (Operations) and Board Member of tAAI since November 23, 2016. Prior to taking over the charge of Member (Operations), he served as Regional Executive Director (Southern Region) at Chennai and Executive Director (Air Traffic Management) in Air Space Management Directorate at the corporate headquarters of AAI. Mr. Indrakanti Narasimha Murthy began his career as an Aerodrome Officer with the government's Civil Aviation Department, which subsequently became the Airports Authority of India in August 1985. He has over 32 years of experience in the aviation sector through his service in different positions in the Directorate of Air Traffic Management, the Directorate of Aerodrome Planning and the Airport Management & Operations divisions of AAI.

Dato' Mohd Shukrie was appointed as a Director of the Board of Directors of GHIAL by MAHB in July 2020. He is a Chartered Accountant with the Malaysian Institute of Accountants and holds a Degree in Business Studies from the University of North London. He is presently acting as Group Chief Executive Officer of MAHB. Prior to his appointment as Chief Operating Officer of Malaysia Airports in May 2019, and subsequently, as the Acting Group Chief Executive Officer, he was entrusted to lead AirAsia's Redbox Logistics as its Chief Executive Officer and later on as the Chief Operating Officer for AirAsia Malaysia. In 2005, he joined DRB-HICOM Berhad and assumed several leadership roles including that of a Principal Controller, Chief Financial Officer, Chief Operating Officer, and Chief Executive Officer in various entities within the DRB-HICOM Group including being entrusted as the Chief Executive Officer of KL Airport Services Sdn. Bhd., the aircraft ground handling, cargo, and logistics arm of DRB-HICOM Group. On July 1 2011, he was appointed as Group Chief Operating Officer of Pos Malaysia Berhad and later joined Konsortium Logistik Berhad in 2013 as Group Chief Executive Officer before moving back to helm Pos Malaysia Berhad as its Group Chief Executive Officer on November 2015.

Audit Committee

The Company established its audit committee (the "Audit Committee") with written terms of reference as per the requirements of the Companies Act and other regulations as applicable from time to time. The primary duties of the Audit Committee are to review the Company's financial statements on a quarterly, semi-annual and annual basis, as the case may be, before the same are submitted to the Board of Directors for approval. The Audit Committee also holds periodic discussions with the auditors regarding internal control systems, the scope of the statutory and internal audit, audit observations and other matters, makes recommendations to the Board of Directors for the appointment, remuneration and terms of appointment of the statutory auditors, reviews and monitors the auditors' independence and performance, evaluates the effectiveness of the audit process, examines the financial statements and the auditors' report thereon, approves any subsequent modification of transactions of the Company with related parties, scrutinizes intercompany transactions; carries out valuations of the undertakings or assets of the Company, evaluates the internal controls systems of the Company, monitors the end use of funds raised through public offers and other capital raising activities, and reviews any other matter as may be directed by the Board of Directors from time to time. The Audit Committee has five members comprising Mr. N. C. Sarabeswaran, as Chairman along with Mr. K. Ramakrishna Rao, Mr. C. Prasanna, Mr. R. S. S. L. N. Bhaskarudu and Ms. Siva Kameswari Vissa as members.

Nomination and Remuneration Committee

The Company has established a nomination and remuneration committee (the "Nomination and Remuneration Committee") with written terms of reference as per the requirements of the Companies Act and other regulations as applicable from time to time. The primary duties of the Nomination and Remuneration Committee are to assist the Board of Directors in selecting individuals qualified to become our directors and executive officers, determine the composition of the Board of Directors and its committees, review and approve the Company's compensation structure, including all forms of compensation relating to its directors and executive officers, discuss and deal with the matters as may be prescribed in the Companies Act and rules thereon and amended from time to time and in accordance with the policies adopted in the GMR Group. The Nomination and Remuneration Committee has four members comprising Mr. N.C. Sarabeswaran, Mr. C. Prasanna, Mr. R.S.S.L.N. Bhaskarudu and Mr. I N Murthy. Mr. R.S.S.L.N. Bhaskarudu is the chairman of the Nomination and Remuneration Committee.

Corporate Social Responsibility Committee

The Company established its corporate social responsibility committee ("CSR Committee") in May 2014 with written terms of reference as per the requirements of the Companies Act, 2013. The primary duty of the CSR Committee is to recommend and monitor the corporate social responsibility policy and expenditures of the Company. The CSR Committee has three members comprising Mr. R. S. S. L. N. Bhaskarudu as Chairman, Mr. C Prasanna and Mr. Jayesh Ranjan as Members and the CSR Head is the Permanent Invitee to the CSR Committee.

Share Allotment and Transfer Committee

The Company established its share allotment and transfer committee in 2012 with written terms of reference as per the requirements of the Companies Act and other regulations as applicable from time to time. The primary duties of the Share Allotment and Transfer Committee are to allot, transfer and return shares and adjust any share application amounts. The Share Allotment and Transfer Committee has three members comprising Mr. Madhu Ramachandra Rao, Mr. C. Prasanna and Mr. I. N. Murthy.

Senior Management

The table below sets forth certain information regarding the other members of our senior management as at September 30, 2020.

Name	Age	Title
Mr. G.B.S. Raju	46	Managing Director
Mr. SGK Kishore	56	Executive Director – South and Chief Innovation Officer, Airports
Mr. Pradeep Panicker	52	Chief Executive Officer
Mr. Anand Kumar Polamada	50	Chief Financial Officer
Mr. Anup Kumar Samal	47	Company Secretary
Mr. Arun Behal	52	Chief Operating Officer — Airport Operations
Mr. Bharat Kamdar	50	Head — Security & Vigilance
Mr. KBS Sarma	56	Chief Legal Officer- East and South
Mr. George Cherian	51	Chief Commercial Officer — Non Aero, Commercial
Mr. Ashish Kumar	46	Chief Commercial Office- Aero Commercial
Mr. Nischint Pathania	47	Chief Passenger Experience Officer
Mr. Pran Ranjan	44	Chief Human Resources Officer

Mr. G.B.S Raju has been the Managing Director of GHIAL since June 2018. Please see "—Directors."

SGK Kishore is currently acting as Executive Director South and Chief Innovation Officer at GMR Airports. He joined the GMR Group in 2006 as the CEO of the special economic zone division of GMR Group and later acted as CEO of GMR Hyderabad Airport since 2013 till May 2020. Mr. SGK Kishore has over 30 years of corporate experience including 17 years in Government Service as an IAS Officer.

Pradeep Panicker has been the Chief Executive Officer since June 2020. Mr. Pradeep Panicker is a Chartered Accountant and Cost Accountant, and has a diploma in merchant banking and financial services from ICFAI and has 25 years of experience in various companies, including Feedback Ventures (P) Ltd, L&T Group, IDBI and PricewaterhouseCoopers.

Anand Kumar Polamada has been the Chief Financial Officer since June 2019. Mr. Polamada is a Chartered Accountant and Cost Accountant and has over 23 years of professional experience in corporate finance, regulatory affairs and operations management. Prior to joining GHIAL, he worked for Bangalore International Airport, Jubilant Retail, ABB and TYCO Engineering.

Anup Kumar Samal has been the Company Secretary since 2016. Mr. Anup Kumar Samal has 20 years of professional experience in the area of initial public offering administration, compliance & corporate governance standards, fundraising (including debt listings, rights issues, issue of warrants by way of preferential issues and other activities).

Arun Behal has been the Chief Operating Officer for Airport Operations since July 2019. Mr. Behal has 28 years of professional experience in airside operations and management. He was the key member of the team that operationalized Terminal 3 in Delhi in 2010.

Bharat Kamdar has been the head of Security and Vigilance since 2011. Mr. Bharat Kamdar has over 17 years of experience in various companies, including Motorola, ONGC and Bharath Dynamics Limited.

KBS Sarma is the Chief Legal Officer- South and East. He has been associated with GHIAL since 2008. Mr. KBS Sarma has over 28 years of industry experience. Prior to joining GMR Group, he worked in Tanla Solutions Ltd.

George Cherian has been the Chief Commercial Officer – Non-Aero and Commercial since 2014. Mr. George Cherian has more than 26 years of professional experience, and has spent the last 18 years in areas of airport retail, including duty free, retail and commercial operations. He worked for various companies, including Aer Rianta International Middle East (ARI) BIAL, MIAL, Nuance Group and Muscat Duty Free, before joining GMR group. Mr. George Cherian holds a master's degree in business administration and ICWAI, with an intermediary qualification.

Ashish Kumar has been Chief Commercial officer - Aero since January 2020. Mr. Ashish has been a member of the Delhi International Airport Limited since 2009 and has held a variety of roles in SPG, Terminal Operations and Commercial Aero teams. He was also a key member of the team that operationalized Delhi Terminal 1D and Terminal 3. Along with this he is an expert in new business concession and commercial structuring for ground handling and FBO, Art work, Automated Aircraft Cleaning, Automated PRM Services, Taxibot Services, skylympics . Prior to his roles in GMR Delhi Airport, he had been with Airlines sector, working for Jet Airways and Kingfisher Airlines for a period of 12 years.

Nischint Pathania has been the Chief Passenger Experience Officer since September 2020. Mr. Nischint came with around 25 years of diversified experience in the Hospitality space encompassing Luxury Hospitality, Customer Experience enhancement, Quality Management, Process Improvement and General Administration. He holds a Bachelor's of Science degree in Hotel-Restaurant / Institutional Management from Johnson & Wales University, Providence, Rhode Island , USA. He has a rich international experience working in various capacities for Cox & Kings Global Services (Africa/UK/ India), Ole Sereni Hotel (Nairobi, Kenya), Hartford Marriott Farmington & Crowne Plaza Hartford Downtown (Connecticut, USA), Boston Park Plaza Hotel (Boston, USA). He has also worked with Taj Hotels & Wyndham Hotels in India.

Pran Ranjan has been Chief Human Resources Officer since February 2020. Mr. Ranjan has diverse industry experience in the field of human resources. Prior to joining GHIAL, he was associated with CIPLA as Director HR, managing HR for cluster manufacturing and for the global supply chain management where he has been part of facilitating several initiatives related to change management, HR digitization & culture transformation. Mr. Rajan brings around 20 years of HR experience in companies such as CIPLA, Airtel, Aircel, Reliance & Dr. Reddy's where he headed HR for east European countries.

PRINCIPAL SHAREHOLDERS

The following table sets forth our shareholding as at the date of this offering memorandum.

Name of Shareholder	Number of Equity Shares	Percentage Shareholding[1]
GMR Airports Limited	238,139,000	63.0%
GMR Infrastructure Limited	1,000	—
Airports Authority of India	49,140,000	13.0%
Government of Telangana	49,140,000	13.0%
MAHB Mauritius Private Limited	41,573,540	11.0%
Malaysia Airports Holdings Berhad	6,460	—
Total	**378,000,000**	**100.0%**

(1) Percentages less than 1% are not shown.

GMR Group

GMR Airports Limited is a direct subsidiary of GMR Infrastructure Limited, which is controlled by GMR Enterprises Private Limited and constitutes part of the GMR Group. On February 20, 2020, GMR Infrastructure Limited announced that it had signed a share purchase agreement with Groupe ADP, pursuant to which Groupe ADP agreed to acquire a 49% stake in in GMR Airports Limited. The share purchase closed in July 2020. As a part of the transaction, GMR Infrastructure Limited retains management control over GMR Airports Limited, with Groupe ADP having customary rights and representation on the boards of directors and senior management of GMR Airports Limited and its key subsidiaries, including GHIAL. Groupe ADP has not yet made nominations for these positions at GHIAL or our subsidiaries.

On December 23, 2020, GMR Airports Limited entered into certain financing arrangements with Catalyst Trusteeship Limited as bond trustee, pursuant to which the bond trustee has rights to create a security interest over certain shares held by GMR Airports Limited in GHIAL upon the occurrence of certain events, including, non-payment by GMR Airport Limited to its secured parties, cross-default, insolvency and in connection with such arrangement, GMR Airports Limited has earmarked 188,139,600 shares of GHIAL under an unattested share pledge agreement. Any sale of pledged shares by the bond trustee in the exercise of its rights under the share pledge could trigger a Change of Control as defined in the indenture governing the Notes and the Existing Notes and if accompanied by a ratings decline, a Change of Control Triggering Event requiring us to make an offer to purchase all outstanding Notes and Existing Notes at 101% of the principal amount thereof plus accrued and unpaid interest, if any. See "Risk Factors—Risks Related to Our Business—We may not be able to repurchase the Notes upon a Change of Control Triggering Event or redeem the Notes upon a Mandatory Redemption."

GMR Infrastructure Limited is publicly listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited. Our Chairman, Mr. G. M. Rao, founded the GMR Group in 1978 and has developed it into a leading, diversified infrastructure group in India, with substantial experience in the development and operation of airports, power plants, roads and urban infrastructure. Mr. Kiran Kumar Grandhi is the Joint Managing Director and CEO of GMR Airports Limited and was the key person involved in the development of the Airport. Mr. GRK Babu is the Sector Chief Financial Officer of GMR Airports Limited. In addition to its investment in GHIAL, the GMR Group is also the leading partner in the joint venture that is developing, operating and maintaining the Indira Gandhi International Airport in Delhi, India and a member of the consortium that in April 2014 was awarded the project for the rehabilitation, expansion and operation of the

Mactan-Cebu International Airport in the Philippines for a 25-year concession period. The GMR Group is also developing a new international airport in Crete in Greece, a new airport in northern Goa which is currently under construction phase and in 2020 the GMR Group signed a concession agreement to develop, operate and manage the greenfield Bhogapuram International Airport in Andhra Pradesh.

Groupe ADP is an international developer and manager of airports, including Paris-Charles de Gaulle, Paris-Orly and Paris-Le Bourget. In 2019, through its brand Paris Aéroport, it handled more than 108 million passengers and 2.2 million metric tons of freight and mail at Paris-Charles de Gaulle and Paris-Orly, and more than 110 million passengers at its airports abroad.

See "Risk Factors—Risks Related to Our Business—The interests of the GMR Group, our majority shareholder, may differ from the interests of GHIAL or the holders of the Notes."

Malaysia Airports Holding Berhad

Malaysia Airports Holdings Berhad ("MAHB") was created in November 1992 when the Malaysian Parliament passed a bill to segregate the functions of its Department of Civil Aviation ("DCA") into airport regulation and operations. While the regulation of the airports remains with the DCA, airport operations in Malaysia were handed over to MAHB. The Government of Malaysia granted a 50-year concession to MAHB to operate airports in Malaysia.

MAHB has been the primary airport operator in Malaysia and manages 38 airports, of which five are major international airports, including Kuala Lumpur International Airport ("KLIA"), one of the world's most technologically advanced and efficient airports, which was also constructed under MAHB's supervision in 1998. MAHB invested in GHIAL through its 100% owned subsidiary MAHB (Mauritius) Private Limited.

Airports Authority of India

See "Indian Regulatory Environment—The Airports Authority of India Act, 1994" for a description of the legal background of AAI. For information about certain corporate governance rights granted to AAI under the SHA, see "Business—Our Concession—Shareholders Agreement."

Government of Telangana

As part of the SSA, the Government of Telangana has provided land and financial support to GHIAL in the form of an interest free loan and an advance development grant. It is also responsible for ensuring the availability of power, water and road infrastructure at the Airport.

Shareholders Agreement

We entered into the SHA in September 2003 with the Governor of Andhra Pradesh (to which the Government of Telangana has since acceded), AAI and our other initial shareholders, namely, GMR Infrastructure Limited and MAHB, providing for the terms and conditions that govern their respective rights as our shareholders and their respective responsibilities regarding our management. See "Business—Our Concession—Shareholders Agreement" for a description of the SHA.

CERTAIN RELATED PARTY TRANSACTIONS

The following discussion describes certain material transactions we have with related parties. Our related parties include our joint venture, other shareholders in our subsidiaries having significant influence, our directors, other senior management, our shareholders and their affiliates.

We have undertaken in the past, and will undertake in the future, transactions with our joint venture as well as other entities in the GMR Group, the State Government and AAI, which are our shareholders. We routinely enter into transactions with these related parties in the ordinary course of our business. All such transactions are entered into in accordance with the relevant terms of the Concession Agreement.

Joint Venture

We engage in transactions with our joint venture, Laqshya Hyderabad Airport Media Private Limited. In addition to the concession fees and any applicable interest from delayed payments that our joint venture pays us under our revenue sharing arrangements, we also receive fees from our joint venture for space and land rentals, as well as fees for associated electric and utility costs. Our agreements with our joint venture include provisions for them to pay us security deposits.

One of our subsidiaries, GMR Hyderabad Aerotropolis Limited ("**GHAL**") has recently formed a joint venture with ESR Hyderabad 1 Pte Limited ("**ESR**"), a major player in logistics real estate platform, with an equity interest of 70% (seventy percent) and 30% (thirty percent) respectively in a special purpose vehicle ("**SPV**") namely GMR Logistics Park Private Limited ("**GLPPL**"). Consequent to which, GLPPL has ceased to be a subsidiary of GHAL and GHAL's holding companies with effect from April 16, 2020.

We also receive fees from our joint venture for information technology services that we provide. Our joint venture reimburses us for employee expenses in connection with our employees assigned to work in such entities. Furthermore, in our capacity as a shareholder in our joint ventures, at times we have contributed additional capital to some entities, and have extended to them interest free loans.

GMR Group

We engage in transactions with other entities in the GMR Group, including our direct and indirect holding companies, primarily for services they provide or arrange on our behalf, including information technology, administrative, security and transportation and chartering services, and for the leasing of rental space. We also pay employee-related expenses to other entities in the GMR Group in relation to employees temporarily assigned to us or transferred from us. From time to time, we reimburse other GMR Group entities for common services rendered to all GMR Group entities, such as consulting services, on a cost allocation basis. For example, we have engaged our affiliate, GMR Airport Developer Limited, for project management and consultancy services as well as other services such as engineering maintenance (which includes airside maintenance, baggage handling, electrical systems, air-conditioning, fire protection and vertical and horizontal transporters), IT operation and maintenance at the Airport.

On November 22, 2019 we made an inter-corporate loan of Rs. 2,000 million to GMR Infrastructure Limited ("GIL"), a subsidiary of GMR Group. Initially, the loan was for a period of 6 months. The loan was subsequently extended for a period of 3 months to August 22, 2020 and thereafter to August 21, 2021. Currently, the loan carries a coupon of 11% payable monthly.

Airports Authority of India

We enter into transactions with AAI primarily for the renting of office space at the Airport, for which we receive fees from AAI for spaces rented, as well as fees associated with electric and water and housekeeping costs.

State Government

We have been paying annual rent to the State Government from fiscal year 2016 onwards as per the terms of the Land Lease Agreement between the State Government and us.

The following table summarizes related party transactions identified under Ind-AS 24, "Related Party Disclosures" and balances with our joint ventures, other entities in the GMR Group, AAI and the State Government, as well as our directors, included in our Unaudited Interim Consolidated Financial Statements. For further information regarding our related party transactions identified under Ind-AS 24 for the period ended September 30, 2020 or fiscal years ended March 31, 2020, 2019 and 2018, please refer to footnote 4 of our Unaudited Interim Consolidated Financial Statements, footnote 34 of our 2020 Audited Consolidated Financial Statements, footnote 35 of our 2019 Audited Consolidated Financial Statements, footnote 34 of our 2018 Audited Consolidated Financial Statements, in each case, included elsewhere in this offering memorandum.

	Joint Venture[1]	GMR Group[2]	AAI	State Government	Directors
			(Rs. in millions)		
Balance outstanding as at September 30, 2020					
Balance Recoverable / (Payable)	14.60	(332.5)	47.8	0.0	—
Security deposit received from / (paid) to related parties recognized at amortized cost	3.8	(108.3)	—	—	—
Deferred income on deposits received recognized at amortized cost	1.3	0.3	—	—	—
Prepaid expenses on deposits paid recognized at amortized cost	—	17.0	—	—	—
Loans given	—	2,000.0	—	—	—
Borrowings	—	0.0	—	3,150.5	—

	Joint Venture[1]	GMR Group[2]	AAI	State Government	Directors
			(Rs. in millions)		
Transactions recorded on the statement of profit and loss					
Services received	1.4	465.7	0.1	—	—
Security Deposit (Paid) / Received	—	181.1	—	—	—
Income from operations	25.20	21.40	1.2	—	—
Unsecured loan given	—	99.5	—	—	—
Unsecured loan received back	—	99.5	—	—	—
Interest on unsecured loan given		113	—	—	—
Interest on amortization of interest free unsecured loan given	—	—	—	—	—
Interest on Delayed payments from customers	—	—	—	—	—
CSR Expenditure	—	55.1	—	—	—
Reimbursement of expenses given by the Company from its related parties	2.1	6.8	14.1	—	—
Income on amortization of deposit received	0.4	0.0		—	—
Purchase of Asset	—	172.50	—	—	—
Interest expense on amortization of deposit received	0.2	0.1	—	—	—
Amortization of expense on deposits paid	—	0.9	—	—	—
Interest income on amortization of deposit paid	—	0.9	—	—	—
Reimbursement of expenses claimed from the group during the Year	—	3.7	—	—	—
Lease Rental income	—	0.3			
Interest Expense on Lease Liability		0.7		35.7	
Managerial Remuneration					33.5
Rent Paid		1.1			

(1) Refers to Laqshya Hyderabad Airport Media Private Limited.

(2) Includes the ultimate holding company (GMR Enterprises Private Limited), intermediate holding company (GMR Infrastructure Limited), holding company (GMR Airports Limited), and the following fellow subsidiaries (including subsidiary companies of the ultimate holding company) (where transactions have taken place): Raxa Security Services Limited, Delhi International Airport Limited, GMR Rajahmundry Energy Limited, GMR Hyderabad Vijayawada Expressways Private Limited, GMR Aviation Private Limited, GMR Airport Developers Limited, Kakinada SEZ Private Limited, GMR Energy Trading Limited, GMR Power Corporation Limited, GMR Vemagiri Power Generation Limited, GMR Highways Limited, GMR Corporate Affairs Private Limited, Geokno India Private Limited, GADL International Limited, GMR Business Process Services Private Limited, GMR Family Fund Trust, GMR Varalakshmi Foundation, Sri Varalakshmi Jute Twin Mills Private Limited, GMR Energy Trading Limited, GMR Sports Private Limited, GMR Business School, GMR Tuni-Anakapalli Expressways Private Limited and GMR Krishnagiri SEZ Limited.

DESCRIPTION OF MATERIAL INDEBTEDNESS

The following is a summary of certain provisions of the instruments evidencing our material indebtedness as at the date of this offering memorandum and after giving effect to the use of proceeds from the offering of the Notes as described under "Use of Proceeds."

GMR Hyderabad International Airport Limited

2024 Notes

On April 10, 2019, the Company issued US$300 million 5.375% Senior Secured Notes due 2024 (the "2024 Notes"), in an offering that was not subject to the registration requirements of the Securities Act. The 2024 Notes are governed by an indenture dated April 10, 2019 entered into by the Company, as issuer and HSBC Bank USA, National Association, as trustee ("2024 Notes Trustee"), paying agent and registrar (the "2024 Notes Indenture").

The 2024 Notes are general secured, senior obligations of the Company and rank at least pari passu with all other unsecured, unsubordinated obligations of the Company, secured on an equal and ratable basis with all obligations of the Company under all present and future Permitted Pari Passu Secured Indebtedness and Permitted Refinancing Indebtedness by first ranking Liens on the Collateral, effectively senior in right of payment to unsecured obligations of the Company with respect to the value of the Collateral charged/pledged by the Company securing the 2024 Notes and effectively subordinated to all existing and future obligations of the Company to the extent of the assets (other than Collateral) securing such obligations.

If an event treated as a change of control of the Company occurs under the terms of the 2024 Notes Indenture, then subject to certain conditions, the Company will, within 30 days from the date of such event, make an offer to each holder of the 2024 Notes to repurchase such holder's 2024 Notes, at a price equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of purchase.

The 2024 Notes Indenture contains customary events of default, including, without limitation, payment defaults, covenant defaults, certain cross-defaults and cross-acceleration provisions with respect to other debt, certain events of bankruptcy and insolvency, and judgment defaults. The 2024 Notes Indenture contains covenants for the benefit of the holders of the 2024 Notes that, among other things, limit the ability of the Company and its Restricted Subsidiaries to:

- incur additional indebtedness;
- impair the security interests in the Collateral;
- enter into sale and leaseback transactions;
- issue guarantees on behalf of the restricted subsidiaries; and
- create certain liens securing indebtedness;

These limitations are, however, subject to a number of important qualifications and exceptions.

The 2024 Notes have been secured by a first ranking lien over the Collateral, which consists (to the extent permitted by the Concession Agreement):

- a first ranking *pari passu* mortgage over (a) the Company's leasehold rights, title and interest in respect of 2136 acres and 18 guntas of land leased to the Company under the Land Lease Agreement and the

Company's freehold rights, title and interest in respect of 8.824 acres of land purchased by the Company *vide* the Sale Deed, together

- with all buildings and structures thereon; (b) the movable assets of the Company, present and future, including all movable machinery, machinery spares, tools, accessories, furniture, fixtures, vehicles, intangible assets (including goodwill, trademarks and patents) of whatsoever nature and wherever arising, excluding the capital stock of the Company's subsidiaries and joint ventures, excluding the Capital Stock of the Company's Subsidiaries and joint ventures and any assets of the Company acquired with Indebtedness incurred under Section 4.09(b)(7) of the 2024 Notes Indenture;

- a first ranking *pari passu* charge of all insurance contracts, contractors' guarantees and liquidated damages payable by the contractors;

- a first ranking *pari passu* charge of all the rights, titles, permits, approvals and interests of the Company in, to and in respect of the Project Agreements to the maximum extent permitted under the Project Agreements and the Concession Agreement;

- a first ranking *pari passu* charge on all the operating revenues/receivables of the Company subject to the provisions of the Concession Agreement and excluding passenger service fees (security component) and airport development fee (and similar pass through revenue and receivables) and any other receivables/revenues over which a lien is not permitted under applicable law; and

- a first ranking *pari passu* floating charge over on all of the Company's accounts and each of the other accounts required to be created by the Company (excluding the excluded accounts (as defined in the 2024 Notes Indenture)) pursuant to any security documentation in relation to the 2024 Notes, 2027 Notes and/or the hedging facilities availed by the Company.

2027 Notes

On October 27, 2017, the Company issued US$350 million 4.25% Senior Secured Notes due 2027 (the "2027 Notes"), in an offering that was not subject to the registration requirements of the Securities Act. The 2027 Notes are governed by an indenture dated October 27, 2017 entered into by the Company, as issuer and HSBC Bank USA, National Association, as trustee ("2027 Notes Trustee"), paying agent and registrar (the "2027 Notes Indenture").

The 2027 Notes are general secured, senior obligations of the Company and rank at least pari passu with all other unsecured, unsubordinated obligations of the Company, secured on an equal and ratable basis with all obligations of the Company under all present and future Permitted Pari Passu Secured Indebtedness and Permitted Refinancing Indebtedness by first ranking Liens on the Collateral, effectively senior in right of payment to unsecured obligations of the Company with respect to the value of the Collateral charged/pledged by the Company securing the 2027 Notes and effectively subordinated to all existing and future obligations of the Company to the extent of the assets (other than Collateral) securing such obligations.

If an event treated as a change of control of the Company occurs in terms of the 2027 Notes Indenture, then subject to certain conditions, the Company will, within 30 days from the date of such event, make an offer to each holder of the 2027 Notes to repurchase such holder's 2027 Notes, at a price equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of purchase.

The 2027 Notes Indenture contains customary events of default, including, without limitation, payment defaults, covenant defaults, certain cross-defaults and cross-acceleration provisions with respect to other debt,

certain events of bankruptcy and insolvency, and judgment defaults. The 2027 Notes Indenture contains covenants for the benefit of the holders of the 2027 Notes that, among other things, limit the ability of the Company and its Restricted Subsidiaries to:

- incur additional indebtedness;
- impair the security interests in the Collateral;
- enter into sale and leaseback transactions;
- enter into guarantees issued by the restricted subsidiaries; and
- create certain liens securing indebtedness;

These limitations are, however, subject to a number of important qualifications and exceptions.

The 2027 Notes have been secured by a first ranking lien over the Collateral, which consists (to the extent permitted by the Concession Agreement):

- a first ranking *pari passu* mortgage over (a) the Company's leasehold rights, title and interest in respect of 2136 acres and 18 guntas of land leased to the Company under the Land Lease Agreement and the Company's freehold rights, title and interest in respect of 8.824 acres of land purchased by the Company *vide* the Sale Deed together with all buildings and structures thereon; (b) the movable assets of the Company, present and future, including all movable machinery, machinery spares, tools, accessories, furniture, fixtures, vehicles, intangible assets (including goodwill, trademarks and patents) of whatsoever nature and wherever arising, excluding the capital stock of the Company's subsidiaries and joint ventures and any assets of the Company acquired with Indebtedness incurred under Section 4.09(b)(7) of the 2027 Notes Indenture;
- a first ranking *pari passu* charge of all insurance contracts, contractors' guarantees and liquidated damages payable by the contractors;
- a first ranking *pari passu* charge of all the rights, titles, permits, approvals and interests of the Company in, to and in respect of the Project Agreements to the maximum extent permitted under the Project Agreements and the Concession Agreement;
- a first ranking *pari passu* charge on all the operating revenues/receivables of the Company subject to the provisions of the Concession Agreement and excluding passenger service fees (security component) and airport development fee (and similar pass through revenue and receivables) and any other receivables/revenues over which a lien is not permitted under applicable law; and
- a first ranking *pari passu* floating charge over on all of the Company's accounts and each of the other accounts required to be created by the Company (excluding the excluded accounts (as defined in the 2027 Notes Indenture)) pursuant to any security documentation in relation to the 2027 Notes or the hedging facilities availed by the Company.

Deed of Hypothecation

On October 27, 2017, the Company executed an unattested memorandum of hypothecation (the "2017 MoH") in favor of IDBI Trusteeship Services Limited as security trustee for the 2027 Notes. The 2017 MoH was

executed to secure the 2027 Notes and creates a charge by way of hypothecation inter-alia over all of the Company's rights, titles, interests, benefits, claims and demands in, to, under or in respect of each of the following to the maximum extent permitted under the Concession Agreement:

(a) movable assets of the Company, present and future, including all movable machinery, machinery spares, tools, accessories, furniture, fixtures, vehicles, intangible assets (including goodwill, trademarks and patents) of whatsoever nature and wherever arising, excluding the capital stock of the Company's subsidiaries and joint ventures and any assets of the Company acquired with Indebtedness incurred under Section 4.09(b)(7) of the 2027 Notes Indenture;

(b) insurance contracts, contractors' guarantees and liquidated damages payable by the contractors;

(c) operating revenues/receivables of the Company (excluding passenger service fees(security component), airport development fees (and similar pass through revenue and receivables) and any other revenue over which a lien is not allowed to be created under applicable law);

(d) all the rights, titles, permits, approvals and interests of the Company in, to and in respect of the Project Agreements to the maximum extent permitted under the Project Agreements and the Concession Agreement; and

(e) all the Company's accounts including the Trust and Retention Account (excluding the Excluded Accounts) and the monies, securities, investments and other properties credited to, or required to be credited into, such account and any sub-accounts thereof (excluding the Excluded Accounts),

((a) to (e) is collectively referred to as the "Hypothecated Property").

Pursuant to the 2017 MoH, we are also subject to compliance with restrictive covenants, including, among other things, restrictions on our ability to create security interest in, or dispose of, the collateral, which affects the interest of any existing secured parties.

Further, the Company has entered into a third supplementary deed of hypothecation dated April 10, 2019 with IDBI Trusteeship Services Limited (as the security trustee), pursuant to which the first ranking charge created over the Hypothecated Property in favour of the holders of the 2027 Notes under the 2017 DOH have been extended to the security trustee for the benefit of the holders of 2024 Notes.

Memorandum of Entry

On December 21, 2017, the Company has deposited title documents in relation to (a) 2136 acres and 18 guntas of land leased to the Company under the Land Lease Agreement and (b) 8.824 acres of land purchased by the Company *vide* the Sale Deed, with IDBI Trusteeship Services Limited as the security trustee and recorded the mortgage by deposit of title documents vide a memorandum of entry dated December 21, 2017, with an intent to create security, by way of a first ranking *pari passu* mortgage for the benefit of the holders of the 2027 Notes.

Further, on April 10, 2019 the Company has created a first ranking *pari-passu* mortgage by way of deposit of title documents by constructive delivery with IDBI Trusteeship Services Limited as the security trustee, in relation to (a) its 22,136 acres and 18 guntas of land leased to the Company under the Land Lease Agreement and (b) 8.824 acres of land purchased by the Company *vide* the Sale Deed, together with all buildings and structures thereon, to secure the 2024 Notes.

Security Trustee Agreement

On October 27, 2017, the Company has entered into a security trustee agreement with IDBI Trusteeship Services Limited as security trustee and the 2027 Notes Trustee ("Security Trustee Agreement"). The trust has been created for the benefit of the holders of the 2027 Notes (through the Trustee). Future lenders of the Company may accede to the security trustee agreement from time to time, and the Security Trustee Agreement may be modified at such time to inter alia extend the benefit of the trust to such future lenders (or their representatives, agents or trustees) of the Company and define their rights *provided however* that such changes would not impact the priority of the Collateral for the 2027 Notes other than as permitted under the 2027 Notes Indenture.

The 2024 Notes Trustee (for the benefit of and on behalf of the holders of 2024 Notes) has acceded to the aforementioned security trustee agreement by way of an accession cum amendment deed to the security trustee agreement dated April 10, 2019.

Intercreditor Agreement

On October 27, 2017, an intercreditor agreement was executed between IDBI Trusteeship Services Limited as security trustee and the 2027 Notes Trustee ("Intercreditor Agreement"). The trust has been created for the benefit of the holders of the 2027 Notes (through the Trustee). Future lenders of the Company may accede to the intercreditor agreement from time to time. The Intercreditor Agreement provides, among other things, that (1) the senior debt will share equal priority and pro rata entitlement in and to the collateral created pursuant to the security documents ; (2) the security will only be substituted or released and charge only be granted on the security to the extent permitted under the debt documents; and (3) the manner of enforcement of rights by Lenders.

The 2024 Notes Trustee (for the benefit of and on behalf of the holders of 2024 Notes) has acceded to the aforementioned intercreditor agreement by way of an accession cum amendment agreement to the intercreditor agreement dated April 10, 2019.

Trust and Retention Account Agreement

On October 27, 2017, the Company has entered into a trust and retention account agreement (the "Trust and Retention Account Agreement") among the Company, the Security Trustee and the account bank, Axis Bank Limited. The Trust and Retention Agreement is not a security document under the 2027 Notes Indenture. Further, ICICI Bank Limited has appointed as the account bank pursuant to the deed of adherence dated March 6, 2020 to the trust and retention account agreement dated October 27, 2017 executed between the ICICI Bank Limited, the Company and the Security Trustee.

Pursuant to the Trust and Retention Account Agreement, the Company has established to maintain an account with the following sub accounts: (1) concession fee payment account, (2) concession fee payment reserve account, (3) reserved activities proceeds account, (4) interest free loan repayment account and (5)enforcement proceeds account. In addition, the Company may establish and maintain other accounts, as permitted under the Trust and Retention Account Agreement.

In the event the Company opens one or more operation sub-accounts, subject to certain exceptions as set out in the Trust and Retention Account Agreement, the Company will be required to deposit all cash proceeds received by the Company in respect of the Airport into these operation accounts and the Company may follow the below mentioned indicative order of priority for application of the project proceeds from such accounts:

(a) payment of taxes and statutory dues;

(b) payment of concession fees;

(c) maintenance of reserves for deferred payment liability/paying deferred payment liability pertaining to concession fees;

(d) payment of operation and maintenance costs;

(e) undertaking capital expenditure;

(f) payments to any (i) debt service reserve account solely for funding any debt reserve required to be maintained by the Company in relation to the principal amount or interest payable in relation to any of its senior indebtedness and/or (ii) account required to be maintained by the Company solely for funding any margin for working capital facilities availed/to be availed by the Company;

(g) payment of debt service amounts and hedge termination payments to its lenders, on a *pari passu* basis;

(h) maintenance of any statutory debt service reserves as may be required; and

(i) such distribution at the discretion of the Company.

This aforementioned indicative priority cash flow waterfall may be made a binding priority cash flow waterfall with/without modifications when the Company enters into agreements with lenders for the Phase 1B Expansion. The cash flow waterfall as may be agreed with the lenders pertaining to the Phase 1B Expansion would be binding on the Company. In relation to the same, suitable amendments or restatement or modification to the Trust and Retention Account Agreement can, if required, be made by the Security Trustee and the Borrower without the consent of the Trustee or the holders of the 2027 Notes and/or other lenders who accede to the Trust and Retention Account Agreement, to record such final binding cash flow priority waterfall in the Trust and Retention Account Agreement for the benefit of lenders of the Phase 1B Expansion, the holders of the 2027 Notes and other lenders who accede to the Trust and Retention Account Agreement. As such, the Trust and Retention Account Agreement may be terminated and the terms of the Trust and Retention Account Agreement may be amended, modified or waived and the account bank may be replaced without the consent of the Trustee or the holders of the 2027 Notes or other lenders who accede to the Trust and Retention Account Agreement, other than such changes that would impact the priority of payments with respect to the lenders of the Company ranking pari passu in right of payment vis-à-vis the debt service obligation of the Company to such lenders.

In addition, the Company may maintain other special accounts (both as sub-accounts or otherwise) as per its requirements, such as cash credit accounts, foreign currency accounts to collect receivables which are denominated in a foreign currency and accounts for collecting pass through revenue.

Deposits and withdrawals shall be in accordance with the instructions of the Company, other than in case an event of default is declared when deposits and withdrawals will require consent of the lenders who are beneficiaries of the trust and retention account (and their agents/trustees if applicable).

The 2027 Notes Trustee under the 2027 Notes Indenture is not a party to the Trust and Retention Account Agreement and the 2027 Notes Trustee and the holders of the 2027 Notes only have limited rights under the Trust and Retention Account Agreement. The Trust and Retention Account Agreement is not a Security Document under the Indenture.

The Hedge Facility Providers 1 have acceded to the security by way of (a) an accession agreement dated February 23, 2018 to the Inter Creditor Agreement, (b) a deed of accession dated February 23, 2018, to the Security Trustee Agreement, and (c) deed of confirmation dated February 23, 2018 to the Trust and Retention Account Agreement.

The Hedge Facility Providers 2 have acceded to the security by way of (a) an accession agreement dated May 17, 2018 to the Inter-Creditor Agreement, (b) a deed of accession dated May 17, 2018 to the Security Trustee Agreement and (c) a deed of confirmation dated May 17, 2018 to the Trust and Retention Account Agreement.

The Hedge Facility Providers 3 have acceded to the security by way of (a) an accession agreement dated July 17, 2019 to the Inter-Creditor Agreement; (b) a deed of accession dated July 17, 2019 to the Security Trustee Agreement; (c) a deed of confirmation dated July 17, 2019 to the Trust and Retention Account Agreement.

The Trust and Retention Account Agreement is governed by Indian law.

The benefits of the Trust and Retention Account Agreement including the beneficial interest in the trust created therein has been extend in favour of the holders of 2024 Notes as a lender (in terms of the Trust and Retention Account Agreement) and the same are entitled to all benefits of the Trust and Retention Account Agreement in accordance with its terms, as if the Trust and Retention Account Agreement had originally been executed in favour of the holders of 2024 Notes as a lender (in terms of the Trust and Retention Account Agreement) and the same has been confirmed *vide* the deed of confirmation dated April 10, 2019.

Original Direct Agreement

On November 29, 2005, the Company entered into a direct agreement (the "Original Direct Agreement") with the Government of India and the Security Trustee, whereby the Government of India consented to the assignment (and to the extent not capable of assignment, the charge) for the benefit of the lenders (acting through the Security Trustee) of all of the Company's right, title and interest in the Concession Agreement. Pursuant to the Original Direct Agreement, the Government of India also agreed to give to the Security Trustee prior notice of any intention that it may have to exercise its rights to terminate the Concession Agreement and specifically agreed that the Government of India shall not terminate the Concession Agreement, suspend performance of its obligations thereunder, or exercise its rights to acquire all of the Company's rights, title and interests in and to the Airport without issuing a notice to the Security Trustee. Pursuant to the Original Direct Agreement, the Government of India has agreed to comply with the written instructions from the Security Trustee to discharge all its obligations under the terms of the Concession Agreement, in case the Security Trustee proceeds to exercise the security interest granted by the Company. The Original Direct Agreement will terminate without any further action by any party thereto, once the outstanding debt owed by the Company to its lenders in relation to the initial phase of the Airport has been repaid in full.

Hedging Agreements

The board of directors of the Company have approved a hedging limit of USD $500 million and entering into relevant agreements by way of a resolution dated November 7, 2017. Accordingly, the Company availed of hedge facilities (the "Hedge Facility 1") from Axis Bank Limited and ICICI Bank Limited (the "Hedge Facility Providers 1") in accordance with ISDA master agreements dated January 11, 2018 (for Axis Bank Limited) and October 28, 2017 (for ICICI Bank Limited). The Hedge Facility Providers 1 have acceded to the following by way of (a) an accession agreement dated February 23, 2018 to the Inter Creditor Agreement, (b) a deed of accession dated February 23, 2018, to the Security Trustee Agreement, and (c) deed of confirmation dated February 23, 2018 to the Trust and Retention Account Agreement.

The Company availed itself of further hedging facilities and entered into ISDA master agreements with new banks namely, JP Morgan Chase Bank, National Association on April 12, 2018, Yes Bank Limited on January 12, 2018, IDFC Bank Limited on January 12, 2018 and Deutsche Bank AG on January 10, 2018 (collectively the "Hedge Facility Providers 2"). Accordingly, the Hedge Facility Providers 2 have acceded to (a) the Trust and Retention Account Agreement by way of a deed of confirmation dated May 17, 2018, (b) the Security Trustee Agreement by way of a deed of accession dated May 17, 2018, and (c) the Inter-Creditor Agreement by way of an accession agreement dated May 17, 2018.

The Company availed itself of further hedging facilities in terms of the ISDA master agreements with the following banks namely, Hongkong and Shanghai Banking Corporation Limited dated July 10, 2019, JPMorgan Chase Bank National Association dated April 12, 2018, Yes Bank Limited dated January 12, 2018, Barclays Bank PLC dated May 30, 2019 (with effect from May 2, 2019) and Deutsche Bank AG dated January 10, 2018 (collectively the "Hedge Facility Providers 3"). Accordingly, the Hedge Facility Providers 3 have acceded to (a) the Trust and Retention Account Agreement by way of a deed of confirmation dated July 17, 2019, (b) the Security Trustee Agreement by way of a deed of accession dated July 17, 2019, and (c) the Inter-Creditor Agreement by way of an accession agreement dated July 17, 2019.

On February 23, 2018 and thereafter on May 17, 2018 and July 17, 2019, the Company has created a first ranking *pari-passu* mortgage by way of deposit of title documents by constructive delivery with IDBI Trusteeship Services Limited as the security trustee, in relation to (a) its 2136 acres and 18 guntas of land leased to the Company under the Land Lease Agreement and (b) 8.824 acres of land purchased by the Company *vide* the Sale Deed, together with all buildings and structures thereon, to secure the hedging facilities granted by the Hedge Facility Providers 1, Hedge Facility Providers 2 and Hedge Facility Providers 3, respectively.

Further, the Company has entered into (a) a first supplementary deed to 2017 MoH with IDBI Trusteeship Services Limited, as the security trustee dated February 23, 2018, (b) a second supplementary deed to 2017 MoH of hypothecated with IDBI Trusteeship Services Limited, as the security trustee dated May 17, 2018, and (c) a fourth supplementary deed to 2017 MoH with IDBI Trusteeship Services Limited, as the security trustee dated July 17, 2019 pursuant to which the first ranking charge created over the Hypothecated Property in favour of the holders of the 2027 Notes under the 2017 DOH have been extended to the Hedge Facility Providers 1, Hedge Facility Providers 2 and the Hedge Facility Providers 3, respectively.

Inter creditor Agreement

On February 23, 2018 the Axis Bank and the ICICI Bank entered into the accession agreement with IDBI Trusteeship Services Limited to the inter creditor agreement dated October 27, 2017. By entering into the said agreement the Axis Bank and the ICICI Bank Limited have agreed to become lenders under the said inter creditor agreement. Further, the said accession agreement shall be governed by and construed in accordance of the clause 19 and 20 of the said inter creditor agreement.

On May 17, 2018 JPMorgan Chase Bank N.A, YES Bank Limited and Deutsche Bank AG ("**Hedge Facility Providers 2**") entered into the accession agreement with IDBI Trusteeship Services Limited to the inter creditor agreement dated October 27, 2017. By entering into the said accession agreement the Hedge Facility Provider 2 have agreed to become lenders under the inter creditor agreement dated October 27, 2017. The said accession agreement shall be governed by and construed in accordance of the clause 19 and 20 of the said inter creditor agreement.

Further, on July 17, 2019 HSBC Limited, JPMorgan Chase Bank N.A, YES Bank Limited, Barclays Bank PLC and Deutsche Bank AG ("**Hedge Facility Providers 3**") entered into the accession agreement with IDBI Trusteeship Services Limited to the inter creditor agreement dated October 27, 2017. By entering into the said

accession agreement, the Hedge Facility Providers 3 have agreed to become lenders under the inter creditor agreement dated October 27, 2017. The said accession agreement shall be governed by and construed in accordance of the clause 19 and 20 of the said inter creditor agreement.

Working Capital Facilities

The board of directors of the Company have approved availing of working capital facilities to the extent of INR 350,00,00,000/- (Indian Rupees Three Hundred and Fifty Crores only) and entering into relevant agreements by way of a resolution dated June 15, 2020. Accordingly, the Company availed the following working capital facilities: (a) various working capital facilities extended by ICICI Bank Limited ("Working Capital Lender-1") aggregating to INR 150,00,00,000 (Indian Rupees One Hundred and Fifty Crores Only) consisting of (i) working capital demand loan/ overall limit aggregating to INR 150,00,00,000 (Indian Rupees One Hundred and Fifty Crores Only); (ii) FCNR (B) facility as a sub-limit of the working capital demand loan aggregating to INR 150,00,00,000 (Indian Rupees One Hundred and Fifty Crores Only); and (iii) overdraft facilities as a sub-limit of the working capital demand loan aggregating to INR 1,00,00,000 (Indian Rupees One Crore Only) ("Working Capital Facility-1") *vide* facility agreement dated December 14, 2020 executed between the Company and the Working Capital Lender-1 in connection with the Working Capital Facility-1; and (b) working capital term facility extended by Aditya Birla Finance Limited ("Working Capital Lender-2") aggregating to INR 100,00,00,000 (Indian Rupees One Hundred Crores Only) ("Working Capital Facility-2") *vide* facility agreement dated December 23, 2020 executed between the Company and the Working Capital Lender-2 in connection with the Working Capital Facility-2. The Working Capital Facility-1 and Working Capital Facility-2 are collectively referred to as the "Working Capital Facilities".

Covenants to Working Capital Facility-1

The Company is subject to compliance with covenants customary for facilities of this nature, including, among other things, the Company shall not undertake the following without the prior written consent of the Lender (i) alter its capital structure or constitutional documents in any manner; (ii) avail any credit facilities from any banks or financial institutions or any person, firm or corporate other than Permitted Indebtedness (as defined under the Working Capital Facility-1); (iii) create or permit any security interest, encumbrance, mortgage, hypothecation, pledge or charge over any assets other than the Permitted Liens (as defined under the Working Capital Facility-1) over secured assets.

Covenants to Working Capital Facility-2

The Company is subject to compliance with covenants customary for facilities of this nature, including, among other things, (i) the Company can avail Permitted Indebtedness (as defined under the Working Capital Facility-2) and secure the said Permitted Indebtedness (as defined under the Working Capital Facility-2) by the security and (ii) the Company shall not issue any guarantee, indemnity or undertake any transaction or obligation except any Permitted Indebtedness (as defined under the Working Capital Facility-2).

Further, the Working Capital Lender-1 has acceded to the following by way of (a) an accession agreement dated December 14, 2020, to the Inter Creditor Agreement, (b) a deed of accession dated December 14, 2020, to the Security Trustee Agreement, and (c) deed of confirmation dated December 14, 2020, to the Trust and Retention Account Agreement. The Working Capital Lender-2 has acceded to the following by way of (a) an accession agreement dated December 23, 2020, to the Inter Creditor Agreement, (b) a deed of accession dated December 23, 2020, to the Security Trustee Agreement, and (c) deed of confirmation dated December 23, 2020, to the Trust and Retention Account Agreement.

Further, the Company has entered into (a) a fifth supplementary deed to 2017 MoH with IDBI Trusteeship Services Limited, as the security trustee dated December 14, 2020, and (b) a sixth supplementary deed to 2017

MoH with IDBI Trusteeship Services Limited, as the security trustee dated December 23, 2020, pursuant to which (i) a first ranking *pari passu* charge by way of hypothecation over the present and future movable assets of the Company excluding (a) capital stock of the Company's subsidiaries and joint ventures and (b) any assets of the Company acquired with the proceeds of the indebtedness incurred under Section under section 4.09(b) (7) of the 2027 Notes Indenture and section 4.09 (b) (7) of the 2024 Notes Indenture; (ii) a first ranking *pari passu* charge by way of hypothecation over all insurance contracts, contractor's guarantees and liquidated damages payable by the contractors to the maximum extent permissible under the Concession Agreement; (iii) first ranking *pari passu* charge by way of hypothecation over all its rights, titles, permits, approvals and interests of the Company in, to and in respect of the Project Documents and to the maximum extent permitted under the Project Documents and the Concession Agreement; (iv) a first ranking *pari passu* floating charge by way of hypothecation over all the operating revenues/receivables of the Company excluding aviation security fee, passenger service fees and airports development fees; and a first ranking *pari passu* charge by way of hypothecation over all the Company's account including all monies lying credited/ deposited into such accounts (excluding the Excluded Accounts) have been extended to the Working Capital Lender-1 and the Working Capital Lender-2, respectively.

The Working Capital Facilities are also proposed to be secured by a first ranking *pari-passu* mortgage by way of deposit of title documents by constructive delivery with IDBI Trusteeship Services Limited as the security trustee, in relation to (a) its 2136 acres and 18 guntas of land leased to the Company under the Land Lease Agreement and (b) 8.824 acres of land purchased by the Company *vide* the Sale Deed, together with all buildings and structures thereon.

Telangana Government Unsecured Loan

On September 30, 2017 as part of the SSA, the Government of Telangana, which holds 13.0% shares in the Company, has provided land and financial support to the Company in the form of an interest free loan of an amount of Rs. 315 crores (the "IFL") and an advance development fund grant for an amount of Rs. 107 crores ("ADFG"). The ADFG shall not in any circumstances attract any interest payment nor it shall be repayable. The IFL is repayable in five equal annual instalments with the first instalment beginning on sixteenth anniversary of commencement of commercial operations. Got is also responsible for ensuring the availability of power, water and road infrastructure at the Airport. As of September 30, 2020, Rs. 3,150.5 million was outstanding under this facility.

GMR Hyderabad Aerotropolis Limited ("GHAL")

SBI Credit Facility

On July 25, 2017, GHAL entered into an agreement of loan for overall limit (the "credit facility agreement") with the State Bank of India for credit facilities for an amount of up to Rs. 450.0 million. This facility is secured by a first ranking (i) pari passu charge on schedule property of GHAL by way of a memorandum by deposit of title deeds dated July 25, 2017 and (ii) charge by way of hypothecation of GHAL's movable assets, including receivables, book-debts and outstanding money of pertaining to schedule property GHAL by way of an agreement for hypothecation of assets dated July 25, 2017. GHIAL has executed an undertaking dated July 25, 2017 in favor of State Bank of India, the lender, agreeing to provide shortfall support to GHAL for servicing repayment obligations of GHAL under the credit facility agreement and other financing documents executed in relation thereto. As at September 30, 2020, Rs. 373.0 million was outstanding under this facility. As of December 31, 2020, Rs. 365.4 million was outstanding under this facility.

ABFL Credit Facility

On December 30, 2019, GHAL entered into a facility agreement *inter alios* Aditya Birla Finance Limited for a rupee facility aggregating to Rs. 500.0 million. This facility is secured by (i) an exclusive mortgage on leasehold land of GHAL admeasuring 1.5 cres in survey number 99/1P, Mamidipally village, Shamshabad mandal, Ranga Reddy district, Hyderabad, Telangana in terms of the declaration for creation of equitable mortgage dated February 28, 2020 by an authorized signatory of GHAL; (ii) an exclusive charge over all movable assets, revenues, book debts, bank accounts of GHAL in connection with the project, and over all rights, title and benefits under the project documents in relation to the project in terms of the deed of hypothecation dated December 30, 2019 executed by GHAL in favour of IDBI Trusteeship Services Limited (as the security trustee); and (iii) corporate guarantee dated December 31, 2019 executed by GHIAL in favour of the security trustee. Further, GHIAL along with GHAL have executed an undertaking dated December 31, 2019 in favor of the security trustee agreeing to *inter alia* (i) hold 100% of the equity share capital of GHAL, (ii) exercise management control in GHAL, (iii) have right to appoint majority directors of GHAL, (iv) that any additional funds infused by GHIAL in GHAL in case of cost overrun will be from its own source without recourse to GHAL and the secured assets, (v) that shall pay to GHAL within 5 days of demand from security trustee/lender the amount in relation to cost overrun or additional funds requirements, (vi) that all monies brought in by GHIAL in GHAL shall always be unsecured and subordinated and shall repayment of the same shall be restricted in terms of the facility agreement, and (vi) that in an event of default, the lender/security trustee shall have a right to call upon GHIAL to assign all its loan to GHAL in favour of the lender or have security interest created over such loans. As of September 30, 2020, Rs. 350.0 million was outstanding under this facility. As of December 31, 2020, Rs. 450.0 million was outstanding under this facility.

Covenants

Pursuant to the credit facility agreement of State Bank of India and facility agreement of Aditya Birla Finance Limited, GHAL is subject to compliance with restrictive covenants customary for facilities of this nature, including, among other things, covenants which require the prior consent of the lenders for, inter alia, (i) incurring additional debt, (ii) making changes to the capital structure, (iii) effecting any scheme of amalgamation or reconstitution, and (iv) declaring dividends.

GMR Hyderabad Aviation SEZ Limited ("GHASL")

ABFL Loan Facility

On July 10, 2017, GHASL entered into a facility agreement with Aditya Birla Finance Limited as the lender and lenders' agent for a loan of up to Rs. 600.0 million. This facility is secured by (A) a first ranking exclusive charge over (i) all movable assets of GHASL (ii) TRA accounts, and (iii) all rights, title, interest, claims and demands of GHASL in respect of respect of receivables arising out of the SEZ and/or 277.65 acres of land including the buildings and structures thereon by way of a deed of hypothecation dated July 6, 2017 and (B) a first ranking exclusive charge over the schedule property of GHASL by way of a memorandum by deposit of title deeds dated November 20, 2017. In addition, GHASL is required to maintain certain accounts under this facility for the benefit of the lenders, including a debt service reserve account, a security deposit account and a collection account, among others, and GHIAL has provided a corporate guarantee to guarantee the obligations of GHASL under this loan facility by way of a corporate guarantee cum declaration dated July 10, 2017. Further, in case of any dispute arising under the facility, GHAL, GHIAL, lender, lenders' agent and the security trustee are required to subject themselves to arbitration as per the terms and conditions of the arbitration agreement dated July 6, 2017. As of September 30, 2020, Rs. 573.0 million was outstanding under this facility. As of December 31, 2020, Rs. 568.5 million was outstanding under this facility.

ABFL Covenants

Pursuant to the facility agreement, GHASL is subject to restrictive covenants customary for facilities of this nature, including, among other things, covenants which require the prior written consent of the lenders for, inter alia, (i) effecting any scheme of merger, amalgamation or reconstitution, reorganization, takeover or compromise, (ii) varying the shareholding or the capital structure, (iii) entering into any partnership or profit sharing agreement, (iv) incurring any indebtedness except the permitted financial indebtedness, (v) declaring dividends, (vi) undertaking any guarantee obligations on behalf of any person or issue any guarantee or letter of credit or provide any security; (vii) enter into contracts of a long term nature that may adversely affect the Borrower's financial condition; (viii) create any escrow or other similar arrangements for any of its receivables except as provided under the trust and retention account agreement; (ix) create any security interest or encumbrance over the security created under the facility except as permitted in the facility agreement dated July 10, 2017.

HSBC Loan Facility

On March 12, 2020, GHASL entered into a facility agreement with The Hongkong and Shanghai Banking Corporation Limited as the lender for a term loan aggregating to Rs. 550 million. The said facility is to be utilized by GHASL for facilitating construction of facilities for new tenants. This facility is to be secured by way of creating pari passu charge over the current and fixed assets of GHASL. GHASL has furnished a demand promissory note for the sum aggregating to Rs. 550 million and GHASL has also created a fixed deposit with The Hongkong and Shanghai Banking Corporation Limited aggregating to Rs. 22.5 million. Further, GHIAL guarantees the obligations of GHASL under this loan facility by way of providing a corporate guarantee dated March 12, 2020 which is valid till March 13, 2026. Further, any indebtedness of GHASL to GHIAL is subordinated to the facility extended by Hongkong and Shanghai Banking Corporation Limited pursuant to the said guarantee. As of September 30, 2020, Rs. 150.0 million was outstanding under this facility. As of December 31, 2020, Rs. 200.0 million was outstanding under this facility.

HSBC Covenants

Pursuant to the facility agreement, GHASL is subject to restrictive covenants customary for facilities of this nature, including, among other things, covenants which require the prior written consent of the lenders for, inter alia, (i) declaring or paying any dividend or authorize or make any distribution to GHASL's shareholders if an event of default has occurred; (ii) dissolving or reconstituting GHASL; and (iii) any modifications to the constitution or structure or members and ownership of GHASL. Further, GHIAL is required to maintain 100% shareholding in the GHASL during the tenor of the said facility.

GMR Hospitality and Retail Limited ("GHRL")

Axis Bank Facility

On November 13, 2018, GHRL entered into a facility agreement with Axis Bank Limited, as the lender for an amount of up to Rs. 1,209.4 million for the purposes of takeover of the existing term loan facilities sanction for the hotel division of GHRL. The facility is secured by (a) first ranking exclusive charge over (i) GHRL's sub-leased land; (ii) all moveable fixed assets of GHRL; (iii) revenues, book debts and bank accounts, including trust and retention accounts and (iv) all rights, title and interest under Novotel hotel project documents, (b) a pledge over 25.98% of the equity shares of GHRL and (c) a non-disposal undertaking by GHIAL stating that it shall not dispose off 76,761,241 shares of GHRL. In addition, GHIAL provided a corporate guarantee in respect of GHRL's obligations under this facility. As of September 30, 2020, Rs. 1,112.1 million was outstanding under this facility. As of December 31, 2020, Rs. 1,096.5 million was outstanding under this facility.

Covenants

Pursuant to the facility agreement, GHRL is subject to financial covenants and restrictive covenants customary for facilities of this nature, including, among other things, covenants which require the prior consent of the lenders for, inter alia, (i) entering into any transaction of merger, demerger, consolidation and reorganization, , (ii) incurring additional indebtedness, (iii) effecting any change in capital structure, (iv) making certain restricted payments and (v) issuing guarantees or indemnities for any third party liabilities, and (vi) create any security over its assets, unless as permitted under the facility documentation. In addition, GHRL must maintain a trust and retention account in accordance with the facility agreement.

GMR Air Cargo and Aerospace Engineering Limited ("GACAEL") (formerly GMR Aerospace Engineering Limited ("GAEL") and GMR Aero Technic Limited ("GATL"))

GACAEL Debenture Trust Deed

On October 4, 2017, GACAEL (formerly, GAEL) entered into a debenture trust deed with Axis Trustee Services Limited for the issuance of Rs. 1,000.0 million non-convertible debentures. The proceeds of the debentures have been used for refinancing of the amounts outstanding under the previous financing agreement and general corporate purposes and are secured by (a) a first ranking pari passu charge over the mortgage property of GACAEL (formerly, GAEL) by way of a memorandum by deposit of title deeds dated February 2, 2018; (b) all other current assets, movable assets, bank accounts and project documents in relation to the project by way of hypothecation dated October 4, 2017 and (c) a corporate guarantee dated October 4, 2017 executed by GHIAL.

On October 4, 2017, GATL entered into a debenture trust deed with Axis Trustee Services Limited, as the Debenture Trustee, for the issuance of Rs. 1,750.0 million of non-convertible debentures. The proceeds of the debentures have been used for repayment of the inter-company loan availed by GATL from GAEL and are secured by (a) first pari passu charge on all other current assets, movable assets, bank accounts and project documents in relation to the project by way of hypothecation dated October 4, 2017, and (b) a corporate guarantee dated October 4, 2017 executed by GHIAL. As part of the merger of GATL and GACAEL (formerly, GAEL), the nonconvertible debentures have been transferred to GACAEL.

As of September 30, 2020, Rs. 2,750.0 million remains outstanding to the debenture holders under the debenture trust deeds of GACAEL.

Covenants

Pursuant to the debenture trust deeds, each of GAEL and GATL is subject to compliance with restrictive covenants customary for facilities of this nature, including, among other things, covenants which require the prior consent of the debenture holders/debenture trustee for, inter alia, (i) incurring further indebtedness, (ii) extending loans or giving guarantees or indemnities, (iii) undertaking any capital expenditure plans, (iv) declaring dividends and (v) entering into any transaction of merger or consolidation, except as permitted under the debenture trust deed.

GACAEL Working Capital Loan

On April 15, 2020, GACAEL entered into a facility agreement with ICICI Bank Limited for a fund based overdraft facility aggregating to Rs. 300 million. This overdraft facility is secured by (i) first ranking pari passu mortgage of leasehold rights of the land to the extent of 14 acres on which MRO facilities are constructed along

with the building, structure, etc. on the land by way of a memorandum by deposit of title deeds dated July 6, 2020; (ii) first ranking pari passu charge on (a) moveable assets including plant and machinery, spare, tools and accessories and all other movable assets; (b) all the current assets, including bank accounts, cash flows and receivables by way of a deed of hypothecation dated April 15, 2020; and (iv) corporate guarantee dated April 15, 2020 from GHIAL to guarantee the obligations of GACAEL under this loan facility. As of September 30, 2020, Rs. 256.4 million was outstanding under this facility. As of December 31, 2020, Rs. 233.9 million was outstanding under this facility.

Working Capital Loan Covenants

Pursuant to the facility agreement, (A) GACAEL is subject to financial covenants and restrictive covenants customary for facilities of this nature, including, among other things, covenants which require the prior consent of ICICI Bank Limited for, inter alia, (i) entering into any transaction of merger, demerger, consolidation and reorganization, (ii) incurring additional indebtedness, (iii) effecting any change in capital structure, (iv) making certain restricted payments; and (v) issuing guarantees or indemnities for any third party liabilities, and (vi) create any security over its assets, unless as permitted under the facility documentation; and (B) In an event of default under the facility agreement, GHIAL has to give details of its assets to ICICI Bank Limited. Such disclosed assets of GHIAL should not be encumbered post occurrence of such event of default or disposed off by GHIAL without prior approval of ICICI Bank Limited. Further on an event of default, GHIAL is restricted for furnishing any further guarantee.

DESCRIPTION OF THE NOTES

For purposes of this "Description of the Notes," the term "Company" refers only to GMR Hyderabad International Airport Limited, and any successor obligor in respect of the Notes, and not to any of its Subsidiaries.

The Notes are to be issued under an indenture (the "Indenture"), to be dated as of the Original Issue Date, among the Company, HSBC Bank USA, National Association, as trustee (the "Trustee"), principal paying agent (the "Principal Paying Agent") and registrar (the "Registrar").

The following is a summary of certain provisions of the Indenture, the Notes, the Subsidiary Guarantees and the Security Documents (as defined below), including the Intercreditor Agreement (as defined below). This summary does not purport to be complete and is qualified in its entirety by reference to all of the provisions of the Indenture, the Notes, the Subsidiary Guarantees and the Security Documents (including the Intercreditor Agreement). It does not restate those agreements in their entirety. Whenever particular sections or defined terms of the Indenture not otherwise defined herein are referred to, such sections or defined terms are incorporated herein by reference. Copies of the Indenture and the Security Documents will be available on or after the Original Issue Date at the corporate trust office of the Trustee at 452 Fifth Avenue, New York, NY 10018 USA.

Brief Description of the Notes

The Notes will be:

- general obligations of the Company;
- senior in right of payment to any existing and future obligations of the Company expressly subordinated in right of payment to the Notes;
- at least pari passu in right of payment with all other unsecured, unsubordinated obligations of the Company (subject to any priority rights of such Indebtedness pursuant to applicable law);
- guaranteed by the Future Subsidiary Guarantors on a senior basis, subject to the limitations described below under "—The Subsidiary Guarantees" and in "Risk Factors—Risks Related to the Notes and the Collateral—Noteholder claims against non-guarantor subsidiaries will be structurally subordinated to the liabilities of such subsidiaries."
- secured on an equal and ratable basis with all obligations of the Company under the 2024 Notes, the 2027 Notes, the Company's existing hedging arrangements, working capital facilities and all future Permitted Pari Passu Secured Indebtedness and Permitted Refinancing Indebtedness thereof by first ranking Liens on the Collateral (as defined below under the Caption "—Security") provided by the Company (subject to Permitted Liens and the Intercreditor Agreement);
- effectively senior in right of payment to unsecured obligations of the Company with respect to the value of the Collateral over which the Company has created security for the Notes (subject to any priority rights of such obligations pursuant to applicable law); and
- effectively subordinated to all existing and future obligations of the Company that are secured by assets other than the Collateral to the extent of the value of such assets.

The Notes will mature on February 2, 2026, unless earlier redeemed pursuant to the terms thereof and the Indenture. The Indenture allows additional Notes to be issued from time to time (the "Additional Notes"), subject to certain limitations described under "—Further Issues." Unless the context requires otherwise, references to the "Notes" for all purposes of the Indenture and this "Description of the Notes" include any Additional Notes that are actually issued. The Notes will bear interest at 4.75% per annum from the Original Issue Date or from the most recent interest payment date to which interest has been paid or duly provided for, payable semi-annually in arrears on February 2 and August 2 of each year (each an "Interest Payment Date"), commencing August 2, 2021.

Interest on the Notes will be paid to Holders of record at the close of business on January 18 or July 18 immediately preceding an Interest Payment Date (each, a "Record Date"). In any case in which the date of the payment of principal of, premium on or interest on the Notes is not a Business Day in the relevant place of payment, then payment of principal, premium or interest need not be made in such place on such date but may be made on the next succeeding Business Day in such place. Any payment made on such Business Day shall have the same force and effect as if made on the date on which such payment is due, and no interest on the Notes shall accrue for the period after such date. Interest on the Notes will be calculated on the basis of a 360-day year comprised of twelve 30-day months.

All payments on the Notes will be made by the Company at the office or agency of the Company maintained for that purpose in New York City and certified to the Principal Paying Agent or where the Paying Agent is located (which initially will be the corporate trust administration office of the Trustee, currently located at 452 Fifth Avenue, New York, NY 10018 USA), and the Notes may be presented for registration of transfer or exchange at such office or agency; *provided* that, at the option of the Company, payment of interest may be made by check mailed to the address of the Holders as such address appears in the Note register maintained by the Note Registrar or by wire transfer. Interest payable on the Notes held through DTC will be available to DTC participants on the Business Day following payment thereof.

The Notes will be issued only in fully registered form, without coupons, in denominations of US$200,000 and integral multiples of US$1,000 in excess thereof. No service charge will be made for any registration of transfer or exchange of the Notes, but the Company may require payment of a sum sufficient to cover any transfer tax or other similar governmental charge payable in connection therewith.

The Subsidiary Guarantees

As of the Original Issue Date none of the Company's Subsidiaries will Guarantee the Notes and each will be designated as a "Restricted Subsidiary." Under applicable Indian law currently in effect and certain of our contractual arrangements, the Company's Subsidiaries may not be able to provide guarantees under the Indenture. As such, the Notes will be effectively subordinated in right of payment to all Indebtedness and other liabilities and commitments of our current and future non-guarantor Subsidiaries. In the event of a bankruptcy, liquidation or reorganization of a non-guarantor Subsidiary, the applicable non-guarantor Subsidiary will pay the holders of its debt and its trade and other creditors (including specified statutory dues) before it will be able to distribute any of its remaining assets to us. See "Risk Factors—Risks Related to the Notes and the Collateral—Noteholder claims against non-guarantor subsidiaries will be structurally subordinated to the liabilities of such subsidiaries."

The Company has agreed that it will not permit any of its Restricted Subsidiaries to guarantee any Indebtedness of the Company or any Subsidiary Guarantor, unless it guarantees the Notes.

Any future Restricted Subsidiary that Guarantees the Notes after the Original Issue Date is referred to as a "Future Subsidiary Guarantor" and, upon execution of the applicable supplemental indenture to the Indenture, will be a "Subsidiary Guarantor." Each such guarantee is referred to as a "Subsidiary Guarantee."

The Subsidiary Guarantee of each Subsidiary Guarantor will be:

- a general obligation of such Subsidiary Guarantor;
- effectively subordinated to all existing and future secured obligations of such Subsidiary Guarantor, to the extent of the collateral securing such obligations;
- senior in right of payment to all future obligations of such Subsidiary Guarantor expressly subordinated in right of payment to such Subsidiary Guarantee; and
- at least *pari passu* in right of payment with all other unsecured, unsubordinated obligations of such Subsidiary Guarantor (subject to any priority rights of such obligations pursuant to applicable law).

Under the Indenture, and any supplemental indenture to the Indenture, as applicable, each of the Subsidiary Guarantors will jointly and severally Guarantee the due and punctual payment of the principal of, premium, if any, and interest on, and all other amounts payable under, the Notes and the Indenture. The Subsidiary Guarantors will (1) agree that their obligations under the Subsidiary Guarantees will be enforceable irrespective of any invalidity, irregularity or unenforceability of the Notes or the Indenture and (2) waive their right to require the Trustee to pursue or exhaust its legal or equitable remedies against the Company prior to exercising its rights under the Subsidiary Guarantees. Moreover, if at any time any amount paid under a Note or the Indenture is rescinded or must otherwise be restored, the rights of the Holders under the Subsidiary Guarantees will be reinstated with respect to such payments as though such payment had not been made. All payments under the Subsidiary Guarantees are required to be made in U.S. dollars.

Under the Indenture, and any supplemental indenture to the Indenture, as applicable, each Subsidiary Guarantee will be limited to an amount not to exceed the maximum amount that can be Guaranteed by the applicable Subsidiary Guarantor without rendering the Subsidiary Guarantee, as it relates to such Subsidiary Guarantor, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer or similar laws affecting the rights of creditors generally. If a Subsidiary Guarantee were to be rendered voidable, it could be subordinated by a court to all other indebtedness (including Guarantees and other contingent liabilities) of the applicable Subsidiary Guarantor, and, depending on the amount of such indebtedness, a Subsidiary Guarantor's liability on its Subsidiary Guarantee could be reduced to zero.

The obligations of each Subsidiary Guarantor under its respective Subsidiary Guarantee may be limited, or possibly invalid, under applicable laws. See "Risk Factors—Risks Related to the Notes and the Collateral—Noteholder claims against non-guarantor subsidiaries will be structurally subordinated to the liabilities of such subsidiaries" and "Risk Factors—Risks Related to the Notes and the Collateral—Any future Subsidiary Guarantees, if issued, may be challenged under applicable financial assistance, insolvency or fraudulent transfer laws, which could impair the enforceability of the Subsidiary Guarantees."

Release of the Subsidiary Guarantees

A Subsidiary Guarantee given by a Subsidiary Guarantor may be released in certain circumstances, including:

- upon repayment in full of the Notes;
- upon satisfaction and discharge or legal or covenant defeasance as described under "—Satisfaction and Discharge" and "—Defeasance—Defeasance and Discharge";

- upon the designation by the Company of a Subsidiary Guarantor as an Unrestricted Subsidiary in compliance with the terms of the Indenture; or

- upon the sale or merger of a Subsidiary Guarantor in compliance with the terms of the Indenture (including the covenants under "—Certain Covenants—Limitation on Sales and Issuances of Capital Stock in Restricted Subsidiaries," "—Certain Covenants—Limitation on Asset Sales" and "—Consolidation, Merger and Sale of Assets") resulting in such Subsidiary Guarantor no longer being a Restricted Subsidiary, so long as (1) such Subsidiary Guarantor is simultaneously released from its obligations in respect of any of the Company's other Indebtedness or any Indebtedness of any other Restricted Subsidiary and (2) the proceeds from such sale or disposition are used for the purposes permitted or required by the Indenture.

Under the circumstances described below under "—Certain Covenants—Designation of Restricted and Unrestricted Subsidiaries," the Company will be permitted to designate certain of its future Subsidiaries as "Unrestricted Subsidiaries." The Company's Unrestricted Subsidiaries will generally not be subject to the restrictive covenants in the Indenture. The Company's Unrestricted Subsidiaries will not Guarantee the Notes.

Security

Collateral

The obligations of the Company under the Notes will be secured by first-priority Liens (subject to Permitted Liens) on certain collateral (the "Collateral") pursuant to the Security Documents, which shall initially consist of, to the extent permitted under the Concession Agreement:

(i) a first ranking pari passu mortgage and/or charge over (a) the Company's rights, title and interest in respect of (i) 2136 acres and 18 guntas of the land leased to the Company under the Land Lease Agreement; and (ii) 8.824 acres of land purchased by the Company vide the Sale Deed, together with all buildings and structures thereon and (b) the movable assets of the Company, present and future, including all movable machinery, machinery spares, tools, accessories, furniture, fixtures, vehicles, intangible assets (including goodwill, trademarks and patents) of whatsoever nature and wherever arising, excluding the Capital Stock of the Company's Subsidiaries and joint ventures and any assets of the Company acquired with Indebtedness incurred under clause (2)(g) under "—Certain Covenants—Limitation on Indebtedness";

(ii) a first ranking *pari passu* charge of all insurance contracts, contractors' guarantees and liquidated damages payable by the contractors;

(iii) a first ranking *pari passu* charge of all the rights, titles, permits, approvals and interests of the Company in, to and in respect of the Project Agreements to the maximum extent permitted under the Project Agreements and the Concession Agreement;

(iv) a first ranking *pari passu* floating charge on all the operating revenues/receivables of the Company, subject to the provisions of the Concession Agreement and excluding (a) passenger service fees (security component), (b) airport development fees (and similar pass through revenue and receivables) and (c) any revenues/receivables over which a Lien is not permitted under applicable law; and

(v) a first ranking pari passu floating charge on all the Company's accounts and each of the other accounts opened or created or required to be opened or created by the Company (excluding any Excluded Accounts) pursuant to the financing documents and, including in each case, all monies lying credited/deposited into such accounts.

Upon the occurrence of an Event of Default, the above floating charges will crystallize and become fixed charges.

The security interest on the initial Collateral will be created under (i) an unattested Memorandum of Hypothecation, which will be entered into by the Company in favor of the Security Trustee; and (ii) a Declaration and the Memorandum of Entry and Deposit of Title Deeds associated therewith. The security created or extended by the Security Documents over the Collateral will be subject to the Intercreditor Agreement. The Memorandum of Hypothecation, the Declaration, the Memorandum of Entry and Deposit of Title Deeds, the Security Trustee Agreement, the Direct Agreement (which the Company shall use commercially reasonable efforts to enter into), the other documents necessary to create and perfect the security interest in the Collateral and the Intercreditor Agreement are referred to herein as the "Security Documents." The Company has agreed that all necessary filings to perfect the security interest over the Collateral will be filed no later than 30 days after the Original Issue Date, except as otherwise provided in the Indenture. The Notes will be unsecured prior to the creation of the security interest on the initial Collateral described above.

The Collateral currently secures Indebtedness under the 2024 Notes, the 2027 Notes, the Company's existing hedging arrangements and the Existing Working Capital Facilities. The Collateral may also be shared on a pari passu basis by the Holders and the holders of certain other secured indebtedness including any future Permitted Pari Passu Secured Indebtedness and Permitted Refinancing Indebtedness thereof. Accordingly, in the event of a default on the Notes or the other secured indebtedness and a foreclosure on the Collateral, any foreclosure proceeds would be shared by the holders of such secured indebtedness in proportion to the outstanding amounts of each class of such secured indebtedness in accordance with the Intercreditor Agreement (subject to any priority rights of any obligations pursuant to applicable law). The proceeds realizable from the Collateral securing the Notes (as shared with other secured creditors under the Security Trustee Agreement and the Intercreditor Agreement) is unlikely to be sufficient to satisfy the Company's obligations under the Notes, and the Collateral securing the Notes may be reduced or diluted under certain circumstances, including the issuance of Additional Notes and other Permitted Pari Passu Secured Indebtedness and the disposition of assets comprising the Collateral, subject to the terms of the Indenture. By its nature, some or all of the Collateral will be illiquid and may have no readily ascertainable market value. Accordingly, there can be no assurance that the Collateral could be sold in a timely manner or at all. See "Release of Security" and "Risk Factors—Risks Related to the Notes and the Collateral—The realizable value of the Collateral is unlikely to be sufficient to satisfy our obligations under the Notes."

Permitted Pari Passu Secured Indebtedness

The Company may create Liens on the Collateral pari passu with or junior to the Lien for the benefit of the Holders to secure certain future Senior Indebtedness of the Company (including Additional Notes) or any Subsidiary Guarantor, *provided* that the Company or such Subsidiary Guarantor was permitted to Incur such Indebtedness, and such Indebtedness was Incurred, either under clause (1), (2)(a), 2(e) or (2)(f) and any Permitted Refinancing Indebtedness of such indebtedness Incurred under clause 2(d) under the covenant described under "—Certain Covenants—Limitation on Indebtedness" (such Indebtedness of the Company including Additional Notes (if applicable), "Permitted Pari Passu Secured Indebtedness"). As a condition to creating Liens on the Collateral under such Permitted Pari Passu Secured Indebtedness, (1) the holders of such Indebtedness (or their representative or agent), other than with respect to Additional Notes, become party to the Intercreditor Agreement and the other Security Documents; (2) such Indebtedness is permitted by the terms of the Indenture and the Security Documents; (3) the Company delivers to the Trustee and the Security Trustee an Opinion of Counsel and Officer's Certificate with respect to corporate and collateral matters in connection with the Security Documents, in form and substance as set forth in the Security Documents; and (4) such Indebtedness is only issued (i) for consideration solely comprising cash (other than with respect to Indebtedness of the Company or a Subsidiary Guarantor incurred under (2)(f) under the covenant described under "—Certain

Covenants—Limitation on Indebtedness"), (ii) in exchange for other Senior Indebtedness which is, secured by a lien (subject to Permitted Liens and the Intercreditor Agreement) on the Collateral and with the same priority of payment on enforcement as such Senior Indebtedness, or (iii) in exchange for Sponsor Bridge Financing. The Trustee and/or the Security Trustee, as the case may be, will be permitted and authorized, without the consent of any Holder, to enter into any amendments to the Security Documents or the Indenture, the Security Trustee Agreement and the Intercreditor Agreement and take any other action necessary to permit the creation and registration of Liens on the Collateral to secure Permitted Pari Passu Secured Indebtedness in accordance with this paragraph and the terms of the Indenture.

Except for certain Permitted Liens (including the Liens on the Collateral securing Permitted Refinancing Indebtedness and Permitted Pari Passu Secured Indebtedness), the Company and its Restricted Subsidiaries will not be permitted to Incur any other Indebtedness secured by all or any portion of the Collateral without the consent of each Holder of the Notes then outstanding.

Memorandum of Hypothecation

On or about the Original Issue Date, we will execute a seventh supplementary deed to the unattested memorandum of hypothecation dated October 27, 2017 in favor of IDBI Trusteeship Services Limited, as security trustee for the benefit of the holders of the Notes, to secure the Notes through the creation a charge by way of hypothecation over all of our rights, titles, interests, benefits, claims and demands in, to, under or in respect of the Collateral subject to any exceptions set out in the Indenture, to the maximum extent permitted under the Concession Agreement. The charge created by the Memorandum of Hypothecation will be perfected within 30 days of the Original Issue Date, except as otherwise provided in the Indenture.

Memorandum of Entry

On the Original Issue Date, we will create a mortgage by deposit of title deeds by way of a constructive delivery for the benefit of Holders, evidencing a charge created by us over immovable properties aggregating to approximately 2,145 acres and 11 guntas. The charge created by the MOE will be perfected within 30 days of the Original Issue Date, except as otherwise provided in the Indenture.

Trust and Retention Account Agreement

The Company has entered into the Trust and Retention and Account Agreement. The Trust and Retention Account Agreement sets forth the mechanism for utilization of funds from the Company's bank accounts. The benefit of the Trust and Retention Account Agreement may be extended to other future lenders of the Company from time to time, and the agreement may be modified at such time to inter alia include reference to such future lenders (or their representatives, agents or trustees) of the Company and define their rights, *provided however* that such changes should not impact the priority of payments with respect to the Notes. See "Description of Material Indebtedness—Trust and Retention Account Agreement."

By the deed of confirmation to the Trust and Retention and Account Agreement, to be executed among the Security Trustee, the Trustee (as a confirming party to the deed of confirmation) and the Account Bank, the Security Trustee confirms that the Trustee (on behalf of Holders) shall have the benefit of the trust creased under the Trust and Retention Account Agreement. The Trust and Retention Account Agreement is not a Security Document under the Indenture. As such, the Trust and Retention Account Agreement may be terminated and the terms of the Trust and Retention Account Agreement may be amended, modified or waived and the account bank may be replaced without the consent of the Trustee or the Holders, other than such changes that would impact the priority of payments with respect to the Notes.

Security Trustee Agreement

The Company has entered into the Security Trustee Agreement. On or about the Original Issue Date, the Company will enter into an accession deed to the Security Trustee Agreement with the Trustee (on behalf of the Holders) and the Security Trustee, pursuant to which the Company and the Holders (through the Trustee) will become party to the Security Trustee Agreement and shall have all the rights and benefits available to the lenders under the Security Trustee Agreement. Under the Security Trustee Agreement, the parties have appointed the Security Trustee to act as collateral agent and security trustee with respect to the Collateral and the Security Trustee will agree to act in such capacity and the benefit of the trust shall be extended for the Holders (through the Trustee). Future lenders of the Company may accede to the Security Trustee Agreement from time to time, and this agreement may be modified at such time to inter alia extend the benefit of the trust to such future lenders (or their representatives, agents or trustees) of the Company and define their rights provided however that such changes would not impact the priority of the Collateral for the Notes other than as is permitted under the Indenture. By acceptance of the Notes, the Holders have agreed to the terms of the Security Trustee Agreement, including the appointment of the Security Trustee, and direct the Trustee to enter into the accession deed to the Security Trustee Agreement. See "Description of Material Indebtedness—Security Agreements—Security Trustee Agreement".

Direct Agreement

The Company shall use commercially reasonable efforts to enter into a new (or an amended and restated) Direct Agreement with the Ministry or Civil Aviation and the Security Trustee after the Original Issue Date, relating to the creation of security over the assets of the Company and the enforcement of such security, which includes the Trustee on behalf of Holders of the Notes as a Lender (as defined in the Direct Agreement). See "Description of Material Indebtedness—Security Agreements—Direct Agreement."

On December 31, 2018, the Company requested the Government of India to enter into a new (or an amended and restated) Direct Agreement for the benefit of the holders of the Existing Notes, however, the benefits of the same have yet to be extended to the holders of the Existing Notes as the Company is still waiting for a response from the Government of India. The Company will similarly request that the Government of India enter into a new (or an amended and restated) Direct Agreement for the benefit of the Holders of the Notes but there can be no assurance as to when such new (or an amended and restated) Direct Agreement will be executed or if it will be executed at all.

Intercreditor Agreement

On the Original Issue Date, Trustee and the Security Trustee will enter into an accession agreement to Intercreditor Agreement. By the accession agreement to the Intercreditor Agreement, the Trustee shall accede to the Intercreditor Agreement and shall perform the obligations under the Intercreditor Agreement.

Under the terms of the Indenture, the Trustee will be permitted to enter into amendments to the Intercreditor Agreement that are necessary for holders of any Permitted Pari Passu Secured Indebtedness incurred after the date thereof or their representative or agent to become party to and subject to the terms of the Intercreditor Agreement. The holders or their representative, agent or trustee of Permitted Pari Passu Secured Indebtedness, together with the Trustee, are referred to herein as the "Agents" and the obligations under the Indenture, the Notes, and the Permitted Pari Passu Secured Indebtedness is herein referred to as the "Senior Debt." The holders of the Notes (represented by the Trustee) and any person (by itself or through its Agent) who has become a party to the Intercreditor Agreement are referred to herein as "Lenders."

The Intercreditor Agreement provides, among other things, that (1) the Senior Debt will share equal priority and pro rata entitlement in and to the Collateral; (2) the Collateral will only be substituted or released and Liens

only be granted on the Collateral to the extent permitted under the debt documents; and (3) the Lenders shall enforce their rights with respect to the Collateral and the Indebtedness secured thereby as described in"—Enforcement of Security" below.

Immediately prior to or simultaneously with the incurrence of any Permitted Pari Passu Secured Indebtedness, the Company will procure that the holders of Permitted Pari Passu Secured Indebtedness (or their Agent) will execute and deliver a supplement or amendment to the Intercreditor Agreement or an accession letter or deed to become parties to the Intercreditor Agreement. The Trustee and/or the Security Trustee, as the case may be, will be permitted and authorized, without the consent of any Holder, to enter into any such supplement, amendment or accession letter and take any other action necessary to permit the creation and registration of Liens on the Collateral to secure Permitted Pari Passu Secured Indebtedness and Subordinated Debt in accordance with this paragraph and the terms of the Indenture.

The Intercreditor Agreement provides for a requirement of the consent of the Senior Creditors for, *inter alia*, changing the amount of Permitted Pari Passu Secured Indebtedness unless permitted by the terms of the Intercreditor Agreement.

By accepting the Notes, each Holder shall be deemed to have directed the Trustee to enter into the accession agreement to the Intercreditor Agreement, the accession agreement to the Security Trustee Agreement and the deed of confirmation relating to the Trust and Retention Account Agreement and consented to any amendments or modifications to the Security Documents permitted under the Indenture.

Enforcement of Security

The Security Trustee, subject to the Intercreditor Agreement and the Security Trustee Agreement, will hold such Liens over the Collateral granted pursuant to the Security Documents with sole authority as directed by the Agents or the Lenders (in the event the such Lenders have not appointed an Agent), as the case may be, to exercise remedies under the Security Documents. The Security Trustee will be required to act as secured party on behalf of the creditors under the debt documents and the applicable Security Documents, to follow the instructions provided to it by one or more of the Lenders (in the event the such a Lender has not appointed an Agent) or the Agents, as the case may be, under the debt documents (including the Indenture), the Security Documents and/or the Intercreditor Agreement and to carry out certain other duties. The Trustee will give instructions to the Security Trustee only in accordance with the terms of the Indenture.

The Intercreditor Agreement will provide that the Security Trustee will enforce against the Collateral in accordance with a written instruction by any Lender (in the event the such a creditor has not appointed any Agent) or the Agent, as the case may be, (pursuant to an enforcement trigger event under the respective debt documents and the applicable Security Documents), subject to (1) the expiration of the applicable consultation period without the issuance of an approval notice by Lenders holding 75% of the outstanding commitments (which in the case of bonds, mean the outstanding aggregate principal amount) (the "Majority Relevant Creditors") except for the exercise of rights under the Direct Agreement or (2) the issuance of an approval notice by the Majority Relevant Creditors during the consultation period, including for the exercise of rights under the Direct Agreement.

Furthermore, the Intercreditor Agreement will provide that, subject to the rights of any creditor with prior security or any preferential claim under applicable laws, the proceeds of enforcement against any Collateral under the Security Documents will be applied as follows:

First, in payment of all taxes due and payable and of all statutory dues owed to any governmental authority pursuant to the provisions of the Concession Agreement; and

Second, in or towards payment of all outgoings, costs, charges, expenses, indemnity payments and liabilities (and all interest thereon as provided in the debt documents) incurred by or on behalf of the Security Trustee and/or the Agent and any receiver, attorney or agent in connection with carrying out its duties and exercising its powers and discretion under the debt documents and any remuneration owing to it or to any of the Security Trustee or the Agent; and

Third, in or towards payment to the balance of the costs and expenses of the Lenders or Agents under the debt documents in connection with the enforcement action; and

Fourth, in or towards payment to (A) each Agent for application towards the balance of the outstanding amounts to Lenders of Senior Debt under the relevant debt documents without any preference or priority and in proportion to their respective outstanding amounts and (B) each Agent for application towards the balance of the outstanding amounts to Lenders of Subordinate Debt under the relevant debt documents without any preference or priority and in proportion to their respective outstanding amounts; and

Fifth, in payment of the surplus (if any) from the proceeds of an enforcement action to the Company,

provided that in the event that any Lender of Senior Debt has been secured with a lower ranking Lien over any part of the Collateral, the distribution of proceeds of enforcement over such part of the Collateral shall account for such lower priority Lien of such Lender.

The Security Trustee's ability to foreclose on the Collateral may be subject to lack of perfection of the Lien, the consent of third parties, prior Liens and practical problems associated with the realization of the Security Trustee's Liens on the Collateral. Neither the Trustee, the Security Trustee nor any of their respective officers, directors, employees, attorneys or agents will be responsible or liable for the existence, genuineness, value or protection of any Collateral securing the Secured Liabilities, for the legality, enforceability, effectiveness or sufficiency of the Security Documents or the Intercreditor Agreement, for the creation, perfection, continuation, priority, sufficiency or protection of any of the Liens, or for any defect or deficiency as to any such matters, or for any failure to demand, collect, foreclose or realize upon or otherwise enforce any of the Liens or Security Documents or any delay in doing so.

Release of Security

The security created in respect of the Collateral granted under the Security Documents may be released in certain circumstances, including:

- upon repayment in full of the Notes;
- upon satisfaction and discharge or legal or covenant defeasance as described under "—Satisfaction and Discharge" and "—Defeasance—Defeasance and Discharge";
- upon certain dispositions of the Collateral in compliance with the covenants described under "—Limitation on Sales and Issuances of Capital Stock in Restricted Subsidiaries" or "—Limitation on Asset Sales" or in accordance with the provision described under "—Consolidation, Merger and Sale of Assets;"
- as described under "—Amendments and Waiver;" and
- with respect to the Bidar Airport Collateral only, following the date when the Bidar Airport Collateral ceases to secure the 2024 Notes, the 2027 Notes and any current or future Permitted Pari Passu Secured Indebtedness (such release, the "Bidar Airport Collateral Release").

Further Issues

Subject to the covenants described below and in accordance with the terms of the Indenture, the Company may, from time to time, without notice to or the consent of the Holders, create and issue Additional Notes having the same terms and conditions as the Notes (including the benefit of any Subsidiary Guarantees and the Collateral) in all respects (or in all respects except for the issue date, issue price and the date and/or amount of the first payment of interest on them and, to the extent necessary, certain temporary securities law transfer restrictions) (a "Further Issue") so that such Additional Notes may be consolidated and form a single class with the previously outstanding Notes and vote together as one class on all matters with respect to the Notes; *provided* that the issuance of any such Additional Notes and the provision of the Collateral to secure the Additional Notes will then be permitted under the "Limitation on Indebtedness" covenant described below and the other provisions of the Indenture; *provided further* that unless such Additional Notes are issued under a separate CUSIP number, such Additional Notes must be fungible with the original Notes for U.S. federal income tax purposes.

In addition, the issuance of any Additional Notes by the Company will also be subject to the following conditions:

(1) all obligations with respect to the Additional Notes shall be secured and guaranteed under the Indenture, the Subsidiary Guarantees and the Security Documents to the same extent and on the same basis as the Notes outstanding on the date the Additional Notes are issued;

(2) the Company shall have delivered to the Trustee an Officer's Certificate, in form and substance satisfactory to the Trustee, confirming that the issuance of the Additional Notes complies with the Indenture; and

(3) the Company shall have delivered to the Trustee one or more Opinions of Counsel, in form reasonably satisfactory to the Trustee, confirming, among other things, that the issuance of the Additional Notes complies with the Indenture, that the issuance of the Additional Notes does not conflict with applicable law and that, to the extent applicable, after giving effect to the issuance of the Additional Notes and any transactions related thereto, the Liens created under the Security Documents, as amended, extended, renewed, restated, supplemented or otherwise modified or replaced pursuant to such transaction, are valid and perfected Liens not otherwise subject to any limitation, imperfection or new hardening or preference period, in equity or law, that such Liens were not otherwise subject to immediately prior to the issuance of such Additional Notes and such amendment, extension, renewal, restatement, supplement, modification or replacement.

Repurchase of Notes Upon a Change of Control Triggering Event

Not later than 30 days following a Change of Control Triggering Event the Company will make an Offer to Purchase all outstanding Notes (a "Change of Control Offer") at a purchase price equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, to the Offer to Purchase Payment Date (as defined in clause (2) of the definition of "Offer to Purchase").

The Company will agree in the Indenture that, following a Change of Control, it will timely repay all Indebtedness or obtain consents as necessary under or terminate, agreements or instruments that would otherwise prohibit a Change of Control Offer required to be made pursuant to the Indenture. Notwithstanding this agreement of the Company, it is important to note that if the Company is unable to repay (or cause to be repaid) all of the Indebtedness, if any, that would prohibit the repurchase of the Notes or is unable to obtain the requisite consents of the holders of such Indebtedness, or terminate any agreements or instruments that would otherwise prohibit a Change of Control Offer, it would continue to be prohibited from purchasing the Notes. In that case, the Company's failure to purchase tendered Notes would constitute an Event of Default under the Indenture.

Future debt of the Company may also (1) prohibit the Company from purchasing Notes in the event of a Change of Control Triggering Event; (2) provide that a Change of Control Triggering Event is a default; or (3) require repurchase of such debt upon a Change of Control Triggering Event. Moreover, the exercise by the Holders of their right to require the Company to purchase the Notes could cause a default under other Indebtedness, even if the Change of Control Triggering Event itself does not, due to the financial effect of the purchase on the Company. The Company's ability to pay cash to the Holders following the occurrence of a Change of Control Triggering Event may be limited by the Company's and the Subsidiary Guarantors' then existing financial resources. There can be no assurance that sufficient funds will be available when necessary to make the required purchase of the Notes. See "Risk Factors—Risks Related to the Notes and the Collateral—We may not be able to repurchase the Notes upon a Change of Control Triggering Event."

The Company will not be required to make a Change of Control Offer following a Change of Control Triggering Event if a third-party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by the Company and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer.

Notwithstanding anything to the contrary herein, a Change of Control Offer may be made in advance of a Change of Control Triggering Event, conditional upon such Change of Control Triggering Event, if a definitive agreement is in place for the Change of Control Triggering Event at the time of making of the Change of Control Offer.

The definition of Change of Control includes a phrase relating to the sale of "all or substantially all" the assets of the Company. Although there is a limited body of case law interpreting the phrase "substantially all," there is no precise established definition of the phrase under applicable law. Accordingly, the ability of a Holder of Notes to require the Company to repurchase such Holder's Notes as a result of a sale of less than all the assets of the Company to another person or group may be uncertain and will depend upon particular facts and circumstances. As a result, there may be a degree of uncertainty in ascertaining whether a sale or transfer of "all or substantially all" the assets of the Company has occurred.

Except as described above with respect to a Change of Control Triggering Event, the Indenture does not contain provisions that permit the Holders to require that the Company purchase or redeem the Notes in the event of a takeover, recapitalization or similar transaction.

Any repurchase or redemption of the Notes prior to their stated maturity may require the prior approval of the RBI or the designated authorized dealer bank, as the case may be, under applicable RBI guidelines, and such approval may not be forthcoming.

Redemption of Notes Upon Certain Changes in Capital or Currency Exchange Controls

The Company will be required to redeem all outstanding Notes, as a whole but not in part, at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest (including any Additional Amounts (as defined below)), if any, to the Mandatory Redemption Date (defined below), if, at any time, it will become unlawful for the Company to perform any payment obligations under the Indenture or the Notes as a result of any change in, or amendment to, the laws (or any regulations, directions or rulings notified or issued thereunder) of a Government of the Republic of India and such payment restrictions cannot be avoided by the taking of reasonable measures by the Company (the "Mandatory Redemption").

Within 10 days of such change or amendment giving rise to the Mandatory Redemption being announced by the relevant authority, the Company will be required to provide notice to the Trustee, an Opinion of Counsel

stating that such change or amendment referred to in the prior paragraph will make payments by the Company under the Indenture or the Notes unlawful, and an Officer's Certificate stating that such change or amendment referred to in the prior paragraph has occurred, describing the facts related thereto and stating that such payment restrictions cannot be avoided by the Company taking reasonable measures and setting forth the proposed date, which shall not be more than 30 days after the date of such notice, on which the redemption shall occur (the "Mandatory Redemption Date").

The Trustee shall accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent described above, in which event it shall be conclusive and binding on the Holders.

Any Notes that are redeemed will be canceled.

Any redemption of the Notes prior to their stated maturity may require the prior approval of the RBI or the designated authorized dealer bank, as the case may be, under applicable RBI guidelines, and such approval may not be forthcoming.

No Mandatory Redemption or Sinking Fund; Open Market Purchases

Other than as described under "—Redemption of Notes Upon Certain Changes in Capital or Currency Exchange Controls," there will be no mandatory redemption or sinking fund payments for the Notes. The Company and its Affiliates may, at their discretion, at any time from time to time purchase the Notes in the open market or otherwise; *provided* that the Company may not resell Notes that it has repurchased in the open market or otherwise to any person that is not an affiliate of the Company under Rule 144 of the Securities Act.

Additional Amounts

All payments by or on behalf of the Company, a Surviving Person (as defined under "—Consolidation, Merger and Sale of Assets") or a Subsidiary Guarantor of principal of, and premium (if any) and interest on the Notes or under the Subsidiary Guarantees will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or within any jurisdiction in which the Company, a Surviving Person or an applicable Subsidiary Guarantor is organized or resident for tax purposes, doing business or otherwise subject to the power to tax, or any political subdivision or taxing authority thereof or therein (each, as applicable, a "Relevant Taxing Jurisdiction") or any jurisdiction through which such payments are made by or on behalf of the Company, a Surviving Person or a Subsidiary Guarantor or any political subdivision or taxing authority thereof or therein (together with the Relevant Taxing Jurisdictions, the "Relevant Jurisdictions"), unless such withholding or deduction is required by applicable law or by regulation or governmental policy having the force of law. In the event that any such withholding or deduction is so required, the Company, a Surviving Person or the applicable Subsidiary Guarantor, as the case may be, will pay such additional amounts ("Additional Amounts") as will result in receipt by the Holder of each Note or the Subsidiary Guarantees, as the case may be, of such amounts as would have been received by such Holder had no such withholding or deduction been required, except that no Additional Amounts shall be payable:

(1) for or on account of:

(a) any tax, duty, assessment or other governmental charge that would not have been imposed but for:

(i) the existence of any present or former connection between the Holder or beneficial owner of such Note or Subsidiary Guarantee, as the case may be, and the Relevant Jurisdiction other

than merely holding such Note or the receipt of payments thereunder or under a Subsidiary Guarantee or enforcement of rights thereunder, including, without limitation, such Holder or beneficial owner being or having been a national, domiciliary or resident of such Relevant Jurisdiction or treated as a resident thereof or being or having been physically present or engaged in a trade or business therein or having had a permanent establishment therein;

(ii) the presentation of such Note (in cases in which presentation is required) more than 30 days after the later of the date on which the payment of the principal of, premium, if any, and interest on, such Note became due and payable pursuant to the terms thereof or was made or duly provided for, except to the extent that the Holder or beneficial owner thereof would have been entitled to such Additional Amounts if it had presented such Note for payment on any date within such 30-day period;

(iii) the presentation of such Note (in cases in which presentation is required) for payment in the Relevant Jurisdiction, unless such Note could not have been presented for payment elsewhere; or

(iv) the failure of the Holder or beneficial owner to comply with a timely request of the Company, a Surviving Person or any Subsidiary Guarantor addressed to the Holder to provide information concerning such Holder's or beneficial owner's nationality, residence, identity or connection with any Relevant Jurisdiction, if and to the extent that due and timely compliance with such request is required by applicable law as a precondition to, reduction in the rate of, or the elimination of, any withholding or deduction as to which Additional Amounts would have otherwise been payable to such Holder or beneficial owner;

(b) any estate, inheritance, gift, sale, transfer, personal property or similar tax, assessment or other governmental charge;

(c) any withholding or deduction pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (or any amended or successor versions of such Sections) ("FATCA"), any regulations or other official guidance thereunder, any intergovernmental agreement entered into in connection with FATCA, or any law, regulations or other official guidance enacted in any jurisdiction implementing FATCA or an intergovernmental agreement;

(d) any tax, duty, assessment or other governmental charge to the extent such tax, duty, assessment or other governmental charge results from the presentation of the Note (where presentation is required) for payment and the payment can be made without such withholding or deduction by the presentation of the Note for payment elsewhere; or

(e) any combination of taxes, duties, assessments or other governmental charges referred to in the preceding clauses (a), (b), (c) or (d); or

(2) to a Holder that is a fiduciary, partnership or person other than the sole beneficial owner of any payment to the extent that such payment would be required to be included in the income under the laws of a Relevant Taxing Jurisdiction, for tax purposes, of a beneficiary or settlor with respect to the fiduciary, or a member of that partnership or a beneficial owner who would not have been entitled to such Additional Amounts had that beneficiary, settlor, partner or beneficial owner been the Holder thereof.

The Company will (i) make such withholding or deduction and (ii) remit the full amount deducted or withheld to the relevant authority in accordance with applicable law. The Company will upon request, make reasonable efforts to obtain certified copies of tax receipts evidencing the payment of any taxes so deducted or withheld from the Relevant Jurisdiction imposing such taxes. Upon request, the Company will furnish to Holders, within 60 days after the date the payment of any taxes so deducted or withheld is due pursuant to applicable law, either certified copies of tax receipts evidencing such payment or, if such receipts are not obtainable, other evidence of such payments.

At least 30 days prior to the first date on which any payment under or with respect to the Notes is due and payable, if the Company will be obligated to pay Additional Amounts with respect to such payment, the Company will deliver to the Trustee an Officer's Certificate stating the fact that such Additional Amounts will be payable and the amounts so payable and will set forth such other information necessary to enable the Paying Agent to pay such Additional Amounts to the Holders on such payment date. The Company will deliver to the Trustee an Officer's Certificate 30 days prior to any subsequent payment date if there has been a change in the matters set forth in the previously furnished certification (or as soon as reasonably possible in circumstances where the change occurred after the 30th day prior to such date).

In addition, the Company will pay any stamp, issue, registration, documentary, value added or other similar taxes and other duties (including interest and penalties) payable in any Relevant Jurisdiction in respect of the creation, issue, offering, execution or enforcement of the Notes, or any documentation with respect thereto.

Whenever there is mentioned in any context the payment of principal of, and any premium or interest on, any Note or under any Subsidiary Guarantee, such mention shall be deemed to include payment of Additional Amounts provided for in the Indenture to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

The above obligation of the Company will survive the repayment of the Notes, termination, defeasance or discharge of the Indenture and any transfer by a Holder or beneficial owner of its Notes.

Redemption for Taxation Reasons

The Notes may be redeemed, at the option of the Company or a Surviving Person, as a whole but not in part, upon giving not less than 30 days' nor more than 60 days' notice to the Holders (which notice shall be irrevocable), at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest (including any Additional Amounts), if any, to the date fixed by the Company or the Surviving Person, as the case may be, for redemption (the "Tax Redemption Date") if, as a result of:

(1) any change in, or amendment to, the laws (or any regulations or rulings promulgated thereunder) of a Relevant Taxing Jurisdiction, affecting taxation; or

(2) any change in the existing official position or the stating of an official position regarding the application or interpretation of such laws, regulations or rulings (including a holding, judgment or order by a court of competent jurisdiction),

which change or amendment becomes effective or, in the case of an official position, is announced (i) except as described in (ii), on or after the Original Issue Date, or (ii) with respect to any Future Subsidiary Guarantor or Surviving Person whose Relevant Taxing Jurisdiction has not been a Relevant Taxing Jurisdiction immediately before the date such Future Subsidiary Guarantor or Surviving Person became a Subsidiary Guarantor or Surviving Person, on or after the date such Future Subsidiary Guarantor or Surviving Person becomes a

Subsidiary Guarantor or Surviving Person, with respect to any payment due or to become due under the Notes or the Indenture, the Company, a Surviving Person or a Subsidiary Guarantor, as the case may be, is, or on the next Interest Payment Date would be, required to pay Additional Amounts, a Surviving Person or a Subsidiary Guarantor, as the case may be; *provided* that changing the jurisdiction of the Company, a Subsidiary Guarantor or a Surviving Person is not a reasonable measure for the purposes of this section; *provided further* that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Company, a Surviving Person or a Subsidiary Guarantor, as the case may be, would be obligated to pay such Additional Amounts if a payment in respect of the Notes were then due, *provided further* that where any such requirement to pay Additional Amounts is due to taxes imposed by India or any political subdivision or taxing authority thereof or therein, the Company, a Subsidiary Guarantor or the Surviving Person shall be permitted to redeem the Notes in accordance with the provisions hereof only if the rate of withholding or deduction in respect of which Additional Amounts are required is in excess of 5% (plus applicable surcharge and cess).

Prior to the mailing of any notice of redemption of the Notes pursuant to the foregoing, the Company, a Surviving Person or a Subsidiary Guarantor, as the case may be, will deliver to the Trustee at least 30 days but not more than 60 days before a redemption date:

(1) an Officer's Certificate stating that such change or amendment referred to in the prior paragraph has occurred, describing the facts related thereto and stating that such requirement cannot be avoided by the Company, a Surviving Person or a Subsidiary Guarantor, as the case may be, taking reasonable measures; and

(2) an Opinion of Counsel or an opinion of a tax consultant, in either case of recognized standing with respect to tax matters of the Relevant Taxing Jurisdiction, stating that the requirement to pay such Additional Amounts results from such change or amendment referred to in the prior paragraph.

The Trustee shall accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent described above, in which event it shall be conclusive and binding on the Holders.

Any Notes that are redeemed will be canceled.

Certain Covenants

Set forth below are summaries of certain covenants contained in the Indenture.

Limitation on Indebtedness

(1) The Company will not, and will not permit any Restricted Subsidiary to, Incur any Indebtedness (including Acquired Indebtedness), *provided* that the Company and any Subsidiary Guarantor may Incur Indebtedness (including Acquired Indebtedness) if, after giving pro forma effect to the Incurrence of such Indebtedness and the receipt and application of the proceeds therefrom, (x) no Default has occurred and is continuing, and (y) the Fixed Charge Coverage Ratio would not be less than 2.25 to 1.0.

(2) Notwithstanding the foregoing, the Company and any Restricted Subsidiary may Incur, to the extent provided below, each and all of the following ("Permitted Indebtedness"):

(a) Indebtedness under Credit Facilities Incurred by the Company or a Subsidiary Guarantor to fund capital expenditure for modifications, additions and improvements to the Airport (and any interest

payments and upfront fees with respect to such Indebtedness) that are (x) necessary to perform its obligations under the Master Plan or (y) required under the Project Agreements (any capital expenditure for such modifications, additions and improvements and any interest payments and upfront fees with respect to such Indebtedness, "Required Capital Expenditure"), *provided* that immediately after giving effect to the Incurrence of such Indebtedness no Default under clause (2) under the covenant described under "Events of Default" or Event of Default has occurred and is continuing or will result from such incurrence, that the Indebtedness to be Incurred is limited to such amount that is required to fund the Required Capital Expenditure and that, prior to such Incurrence, the Company delivers the following to the Trustee:

(i) in the case of any Required Capital Expenditure in excess of US$5.0 million, a certificate from the Independent Engineer confirming that (x) the proposed project, including the necessary modifications, additions and improvements to the Airport, is required by the Master Plan or the Project Agreements, and (y) setting out, in reasonable detail, the Required Capital Expenditure relating to such modifications, additions and improvements;

(ii) the Company certifies in an Officer's Certificate that the Company or the Subsidiary Guarantor, as applicable, does not have the funds available to it to make such Required Capital Expenditure and continue to operate its business with a sufficient level of liquidity; and

(iii) the Company certifies in an Officer's Certificate that the Indebtedness Incurred under this clause (2)(a) is permitted under the Company's Senior Indebtedness outstanding at such time or that the creditors under such Senior Indebtedness have provided the requisite approvals for the Incurrence of such Indebtedness.

(b) Indebtedness under the Notes (excluding any Additional Notes) and each Subsidiary Guarantee;

(c) Indebtedness of the Company or a Restricted Subsidiary outstanding on the Original Issue Date, including, without limitation, the 2024 Notes and the 2027 Notes but excluding Indebtedness under the Existing Working Capital Facilities (which shall be deemed to be incurred under clause 2 (f) below);

(d) Indebtedness ("Permitted Refinancing Indebtedness") of the Company or any Restricted Subsidiary issued in exchange for, or the net proceeds of which are used to refinance or refund, replace, exchange, renew, repay, redeem, defease, discharge or extend (collectively, "refinance" and "refinances" and "refinanced" shall have a correlative meaning), then outstanding Indebtedness (or Indebtedness repaid substantially concurrently with, but in any case before, the Incurrence of such Permitted Refinancing Indebtedness) Incurred under paragraph (1), (2)(a), 2(b), (2)(c), (2)(f) or (2)(g) and any refinancings thereof in an amount not to exceed the amount so refinanced or refunded (plus premiums, accrued interest, fees and expenses); *provided* that the Indebtedness to be refinanced is fully and irrevocably repaid no later than 180 days after the Incurrence of the Permitted Refinancing Indebtedness; and *provided further* that (i) Indebtedness the proceeds of which are used to refinance or refund the Notes or Indebtedness that is pari passu with, or subordinated in right of payment to, the Notes or any Subsidiary Guarantee shall only be permitted under this paragraph (2)(d) if (A) in case the Notes are refinanced in part or the Indebtedness to be refinanced is *pari passu* with the Notes or any Subsidiary Guarantee, such new Indebtedness, by its terms or by the terms of any agreement or instrument pursuant to which such new Indebtedness is outstanding, is expressly made *pari passu* with, or subordinate in right of payment to, the remaining Notes or such Subsidiary Guarantee, as the case may be, (B) in case the

Indebtedness to be refinanced is subordinated in right of payment to the Notes or any Subsidiary Guarantee, other than Sponsor Bridge Financing, such new Indebtedness, by its terms or by the terms of any agreement or instrument pursuant to which such new Indebtedness is issued or remains outstanding, is expressly made subordinate in right of payment to the Notes or such Subsidiary Guarantee, as the case may be, at least to the extent that the Indebtedness to be refinanced is subordinated to the Notes or such Subsidiary Guarantee, as the case may be or (C) in the case that Sponsor Bridge Financing is refinanced, such new Indebtedness, by its terms or by the terms of any agreement or instrument pursuant to which such new Indebtedness is issued is expressly made pari passu with, or subordinate in right of payment to, the Notes; and (ii) such new Indebtedness, determined as of the date of Incurrence of such new Indebtedness, does not mature prior to the earlier of the final maturity date of the Notes and the Stated Maturity of the Indebtedness to be refinanced, and the Average Life of such new Indebtedness is at least equal to either the remaining Average Life of the Indebtedness to be refinanced or 180 days after the final maturity date of the Notes; and (iii) in no event may Indebtedness of the Company or any Subsidiary Guarantor be refinanced pursuant to this paragraph by means of any Indebtedness of any Restricted Subsidiary that is not a Subsidiary Guarantor; and (iv) in no event may unsecured Indebtedness of the Company or any Subsidiary Guarantor be refinanced pursuant to this clause with secured Indebtedness (other than (x) for the purposes of repaying the Notes in full or (y) for the purposes of refinancing Sponsor Bridge Financing, which may be secured to the extent of Indebtedness Incurred under paragraphs (1) and (2)(a) above);

(e) Indebtedness Incurred by the Company or any Restricted Subsidiary pursuant to Hedging Obligations designed solely to protect the Company or any of its Restricted Subsidiaries from fluctuations in interest rates, currencies or the price of commodities and not for speculation (or to reverse or amend or terminate any such agreements previously made for such purposes);

(f) Indebtedness Incurred by the Company or any Restricted Subsidiary with a maturity of one year or less for working capital in an aggregate principal amount at any one time outstanding (together with refinancings thereof) of all Indebtedness Incurred under this paragraph (2)(f) (when aggregated with the then outstanding Indebtedness under the Existing Working Capital Facilities that was Incurred on or prior to the Original Issue Date) not to exceed US$75.0 million (or the Dollar Equivalent thereof);

(g) (i) Indebtedness Incurred by the Company or a Restricted Subsidiary or (ii) Indebtedness of any Person acquired by or merged into the Company or any of its Restricted Subsidiaries and it becomes a Restricted Subsidiary of such Person or such Restricted Subsidiary; *provided* that such Indebtedness is not incurred in contemplation of such acquisition or merger; *provided further* that the aggregate principal amount at any one time outstanding under this paragraph (2)(g) (which shall include Indebtedness of any Person acquired by or merged into any Restricted Subsidiary) (together with refinancings thereof) shall not exceed the greater of US$125.0 million (or the Dollar Equivalent thereof) and 15% of Total Assets;

(h) (i) the Guarantee by the Company or any Restricted Subsidiaries of Indebtedness of the Company or any Restricted Subsidiary permitted to be incurred by this covenant and (ii) the Guarantee by any Restricted Subsidiary (other than a Subsidiary Guarantor) of Indebtedness of another Restricted Subsidiary permitted to be Incurred by this covenant;

(i) Indebtedness of the Company or any Restricted Subsidiary owed to the Company or any Restricted Subsidiary; *provided* that (i) any event which results in (x) any Restricted Subsidiary to which such Indebtedness is owed ceasing to be a Restricted Subsidiary or (y) any subsequent

transfer of such Indebtedness (other than to the Company or any Restricted Subsidiary) shall be deemed, in each case, to constitute an Incurrence of such Indebtedness not permitted by this clause (i) and (ii) if the Company or a Subsidiary Guarantor is the obligor under such Indebtedness, such Indebtedness must expressly be subordinated in right of payment to the Notes or such Subsidiary Guarantor's Subsidiary Guarantee, as the case may be;

(j) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently, except in the case of daylight overdrafts, drawn against insufficient funds in the ordinary course of business; *provided*, *however*, that this Indebtedness is extinguished within five Business Days;

(k) Indebtedness of the Company or any Restricted Subsidiary in respect of workers' compensation claims and claims arising under similar legislation, or in connection with self-insurance or similar requirements, in each case in the ordinary course of business;

(l) Indebtedness arising from agreements of the Company or a Restricted Subsidiary providing for indemnification, adjustment of purchase price, or other similar obligations, in each case Incurred or assumed in connection with the disposition of any business, assets of the Company or of a Restricted Subsidiary, other than Guarantees of Indebtedness Incurred by any Person acquiring all or any portion of any of the Company's or a Restricted Subsidiary's business or assets for the purpose of financing an acquisition; *provided*, *however*, that the maximum assumable liability in respect of all this Indebtedness shall at no time exceed the gross proceeds actually received by the Company and/or the relevant Restricted Subsidiary in connection with the disposition; and

(m) obligations with respect to trade letters of credit, performance and surety bonds and completion guarantees provided by the Company or any of its Restricted Subsidiaries securing obligations, entered into in the ordinary course of business, to the extent the letters of credit, bonds or guarantees are not drawn upon or, if and to the extent drawn upon is honored in accordance with its terms and, if to be reimbursed, is reimbursed no later than 30 days following receipt of a demand for reimbursement following payment on the letter of credit, bond or guarantee.

For purposes of determining compliance with this "Limitation on Indebtedness" covenant, in the event that an item of Indebtedness meets the criteria of more than one of the types of Permitted Indebtedness or is permitted to be Incurred pursuant to paragraph (1) of this covenant, the Company may, in its sole discretion, classify, and from time to time may reclassify, such item of Indebtedness and only be required to include the amount of such Indebtedness as one of such types, *provided*, *however* that the Company shall not be permitted to reclassify any portion of Indebtedness incurred under paragraph (2)(a) as Indebtedness Incurred under any other provision and shall not be permitted to reclassify any Indebtedness Incurred under any provision other than paragraph (2)(a) as Indebtedness Incurred under paragraph (2)(a).

Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that the Company or any Restricted Subsidiary may Incur pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations in the exchange rate of currencies. For purposes of determining compliance with any U.S. dollar-denominated restriction on the incurrence of Indebtedness, the U.S. dollar equivalent principal amount of Indebtedness denominated in a foreign currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was incurred (or first committed, in the case of revolving credit debt); *provided*, that if such Indebtedness is incurred to refinance other Indebtedness denominated in a foreign currency, and such refinancing would cause the applicable U.S. dollar denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such U.S. dollar-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of

such refinancing Indebtedness does not exceed the principal amount of such Indebtedness being refinanced. The principal amount of any Indebtedness Incurred to refinance other Indebtedness, if Incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such respective Indebtedness is denominated that is in effect on the date of such refinancing.

Limitation on Restricted Payments

The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly (the payments or any other actions described in clauses (1) through (4) below being collectively referred to as "Restricted Payments"):

(1) declare or pay any dividend or make any distribution on or with respect to the Company's or any of the Restricted Subsidiaries' Capital Stock (other than dividends or distributions payable solely in shares of Capital Stock of the Company (other than Disqualified Stock or Preferred Stock) or in options, warrants or other rights to acquire shares of such Capital Stock) held by Persons other than the Company or any Restricted Subsidiary;

(2) purchase, call for redemption or redeem, retire or otherwise acquire for value any shares of Capital Stock of the Company or any Restricted Subsidiary or any direct or indirect parent of the Company (including options, warrants or other rights to acquire such shares of Capital Stock) held by any Persons other than the Company or any Restricted Subsidiary;

(3) make any voluntary or optional principal payment, or voluntary or optional redemption, repurchase, defeasance, or other voluntary or optional acquisition or retirement for value, of Subordinated Indebtedness (excluding any intercompany Indebtedness between the Company and any Restricted Subsidiary or among Restricted Subsidiaries and Sponsor Bridge Financing repaid using Permitted Refinancing Indebtedness); or

(4) make any Investment, other than a Permitted Investment;

if, at the time of, and after giving effect to, the proposed Restricted Payment:

(a) a Default has occurred and is continuing or would occur as a result of such Restricted Payment;

(b) the Company could not Incur at least US$1.00 of Indebtedness under the Fixed Charge Coverage Ratio described in the first paragraph under "—Limitation on Indebtedness"; or

(c) such Restricted Payment, together with the aggregate amount of all Restricted Payments made by the Company and the Restricted Subsidiaries after the Measurement Date, shall exceed the sum of:

    (i) 50% of the aggregate amount of the Consolidated Net Income of the Company (or, if the Consolidated Net Income is a loss, minus 100% of the amount of such loss) accrued on a cumulative basis during the period (taken as one accounting period) beginning on the first day of the quarter in which the Measurement Date falls and ending on the last day of the Company's most recently ended fiscal quarter for which consolidated financial statements of the Company (which the Company shall use its reasonable best efforts to compile in a timely manner and which may be internal financial statements) are available and have been provided to the Trustee at the time of such Restricted Payment; plus

(ii) 100% of the aggregate Net Cash Proceeds received by the Company after the Measurement Date as a capital contribution to its common equity by, or from the issuance and sale of its Capital Stock (other than Disqualified Stock) to a Person who is not a Restricted Subsidiary, including any such Net Cash Proceeds received upon (A) the conversion by a Person who is not a Subsidiary of the Company of any Indebtedness (other than Subordinated Indebtedness) of the Company into Capital Stock (other than Disqualified Stock) of the Company, or (B) the exercise by a Person who is not a Subsidiary of the Company of any options, warrants or other rights to acquire Capital Stock of the Company (other than Disqualified Stock), in each case after deducting the amount of any such Net Cash Proceeds used to redeem, repurchase, defease or otherwise acquire or retire for value any Subordinated Indebtedness or Capital Stock of the Company or any Restricted Subsidiary; plus

(iii) the amount by which Indebtedness of the Company is reduced on the Company's balance sheet upon the conversion or exchange subsequent to the Measurement Date of any Indebtedness of the Company convertible or exchangeable for Capital Stock (other than Disqualified Stock) of the Company (less the amount of any cash, or the Fair Market Value of any other property, distributed by the Company upon such conversion or exchange); *provided*, *however*, that the foregoing amount shall not exceed the Net Cash Proceeds received by the Company from the Incurrence of such Indebtedness; plus

(iv) an amount equal to the net reduction in Investments (other than reductions in Permitted Investments) that were made after the Measurement Date in any Person resulting from (A) payments of interest on Indebtedness, dividends or repayments of loans or advances by such Person, in each case to the Company or any Restricted Subsidiary (except, in each case, to the extent any such payment or proceeds are included in the calculation of Consolidated Net Income) after the Original Issue Date, (B) the unconditional release of a Guarantee provided by the Company or a Restricted Subsidiary after the Measurement Date of an obligation of another Person, (C) to the extent that an Investment made after the Measurement Date is sold or otherwise liquidated or repaid for cash, the lesser of (x) cash return of capital with respect to such Investment (less the cost of disposition, if any) and (y) the initial amount of such Investment, or (D) from redesignations of Unrestricted Subsidiaries as Restricted Subsidiaries, not to exceed, in each case, the amount of Investments (other than Permitted Investments) made by the Company or a Restricted Subsidiary after the Original Issue Date in any such Person and treated as a Restricted Payment.

The foregoing provision shall not be violated by reason of:

(1) the payment of any dividend or irrevocable redemption of any Capital Stock within 60 days after the related date of declaration or call for redemption if, at said date of declaration or call for redemption, such payment or redemption would comply with the preceding paragraph;

(2) the payment of any dividends or distributions declared, paid or made by a Restricted Subsidiary, to the holders of such Restricted Subsidiary's Capital Stock, majority of which is held, directly or indirectly through Restricted Subsidiaries, by the Company, on a pro rata basis or on a basis more favorable to the Company and its Restricted Subsidiaries;

(3) the redemption, repurchase or other acquisition of Capital Stock of the Company or any Restricted Subsidiary (or options, warrants or other rights to acquire such Capital Stock) in exchange for, or out of the Net Cash Proceeds of, a substantially concurrent capital contribution or sale (other than to a Subsidiary of the Company) of, shares of Capital Stock (other than Disqualified Stock) of the Company

or such Restricted Subsidiary (or options, warrants or other rights to acquire such Capital Stock); *provided* that the amount of any such Net Cash Proceeds that are utilized for any such Restricted Payment will be excluded from clause (c)(ii) of the preceding paragraph;

(4) the declaration and payment of regularly scheduled or accrued dividends to holders of any class or series of Disqualified Stock of the Company or any preferred stock of a Restricted Subsidiary issued on or after the date of the Indenture that was permitted to be issued pursuant to the covenant described under "—Limitation on Indebtedness";

(5) the redemption, repurchase, defeasance or other acquisition or retirement for value of Subordinated Indebtedness of the Company or any Subsidiary Guarantor with the Net Cash Proceeds of, or in exchange for, a substantially concurrent Incurrence of Permitted Refinancing Indebtedness;

(6) any purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of Disqualified Stock of the Company or preferred stock of a Restricted Subsidiary made by exchange for or out of the proceeds of the substantially concurrent sale of Disqualified Stock of the Company or preferred stock of a Restricted Subsidiary, as the case may be, that, in each case, is permitted to be incurred pursuant to the covenant described under "Limitation on Indebtedness" and that in each case constitutes Permitted Refinancing Indebtedness;

(7) the redemption, repurchase, defeasance or other acquisition or retirement for value of Subordinated Indebtedness of the Company in exchange for, or out of the Net Cash Proceeds of, a substantially concurrent capital contribution or sale (other than to a Subsidiary of the Company) of, shares of the Capital Stock (other than Disqualified Stock) of the Company (or options, warrants or other rights to acquire such Capital Stock); *provided* that the amount of any such Net Cash Proceeds that are utilized for any such Restricted Payment will be excluded from clause (c)(ii) of the preceding paragraph;

(8) Restricted Payments by the Company or any Restricted Subsidiary to allow the payment of cash in lieu of the issuance of fractional shares upon the exercise of options or warrants or upon the conversion or exchange of Capital Stock of any such Person;

(9) (i) the repurchase of Capital Stock deemed to occur upon the exercise of options, warrants or other rights in respect thereof if such Capital Stock represents all or a portion of the exercise price thereof and (ii) repurchases of Capital Stock deemed to occur upon the withholding of a portion of the Capital Stock granted or awarded to a director, employee, officer or consultant to pay for taxes payable by such director, employee, officer or consultant upon such grant or award;

(10) following an Initial Public Offering by the Company, the payment of dividends by the Company not to exceed US$5.0 million (or the Dollar Equivalent thereof) in any fiscal year;

(11) the repurchase, redemption or other acquisition or retirement for value of any Capital Stock of the Company or any Subsidiary Guarantor (or options, warrants or other rights to acquire such Capital Stock) held by any future, current or former officer, director, employee or consultant of the Company or any direct or indirect parent entities or Subsidiaries (or any such Person's assigns, estates or heirs) pursuant to any equity subscription agreement, stock option agreement, shareholders' agreement or similar plans or other contractual arrangements or agreements; *provided* that the aggregate price paid for all such repurchased, redeemed, acquired or retired Capital Stock may not exceed US$1.0 million (or the Dollar Equivalent thereof) in any fiscal year;

(12) other Restricted Payments in an amount not to exceed US$15.0 million less the Dollar Equivalent of the dividend paid by the Company on November 10, 2017 in aggregate; and

(13) the redemption, repurchase or other acquisition of Capital Stock in a Restricted Subsidiary, for an amount not to exceed US$15.0 million in aggregate;

provided that, in the case of clauses (2), (3) and (4) of this paragraph, no Event of Default shall have occurred and be continuing or would occur as a consequence of the actions or payments set forth therein. Each Restricted Payment made pursuant to clauses (1), (10), (12) or (13) of this paragraph shall be included in calculating whether the conditions of clause (c) of the first paragraph of this "—Limitation on Restricted Payments" covenant have been met with respect to any subsequent Restricted Payments.

The amount of any Restricted Payments (other than cash) will be the Fair Market Value on the date of the Restricted Payment of the asset(s) or securities proposed to be transferred or issued by the Company or the Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment. The value of any assets or securities (other than cash) that are required to be valued by this covenant will be the Fair Market Value. The Board of Directors' determination of the Fair Market Value of any assets (including securities) other than cash in a Restricted Payment or a series of related Restricted Payments must be based upon an opinion or an appraisal issued by an appraisal or investment banking firm of recognized standing if the Fair Market Value exceeds US$10.0 million (or the Dollar Equivalent thereof) and such determination must be contained in a Board Resolution set forth in an Officer's Certificate that is provided to the Trustee.

Not later than the date of making any Restricted Payment in excess of US$10.0 million (or the Dollar Equivalent thereof), the Company will deliver to the Trustee an Officer's Certificate stating that such Restricted Payment is permitted and setting forth the basis upon which the calculations required by this "—Limitation on Restricted Payments" covenant were computed, together with a copy of any fairness opinion or appraisal required by the Indenture.

Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries

(1) Except as provided in paragraph (2) below, the Company will not, and will not permit any Restricted Subsidiary to, create or otherwise cause or permit to exist or become effective any encumbrance or restriction on the ability of any Restricted Subsidiary to:

(a) pay dividends or make any other distributions on any Capital Stock of such Restricted Subsidiary owned by the Company or any other Restricted Subsidiary;

(b) pay any Indebtedness or other obligation owed to the Company or any other Restricted Subsidiary;

(c) make loans or advances to the Company or any other Restricted Subsidiary; or

(d) sell, lease or transfer any of its property or assets to the Company or any other Restricted Subsidiary;

provided that it being understood that (i) the priority of any preferred stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on Common Stock; (ii) the subordination of loans or advances made to the Company or any of its Restricted Subsidiaries to other Indebtedness incurred by the Company or any Restricted Subsidiary; and (iii) the provisions contained in

documentation governing Indebtedness requiring transactions between or among the Company and/or any of its Restricted Subsidiaries to be on fair and reasonable terms or on an arm's length basis, in each case, shall not be deemed to constitute such an encumbrance or restriction.

(2) The provisions of paragraph (1) do not apply to any encumbrances or restrictions:

(a) existing in agreements as in effect on the Original Issue Date, or in the Notes, the Subsidiary Guarantees, the Indenture, the Security Documents, or any extensions, refinancings, renewals or replacements of any of the foregoing agreements; *provided* that the encumbrances and restrictions in any such extension, refinancing, renewal or replacement, taken as a whole, are no more restrictive in any material respect than those encumbrances or restrictions that are then in effect and that are being extended, refinanced, renewed or replaced, as determined in good faith by the Company;

(b) existing under or by reason of applicable law, rule, regulation or order;

(c) existing with respect to any Person or the property or assets of such Person acquired by the Company or any Restricted Subsidiary, at the time of such acquisition and not incurred in contemplation thereof, which encumbrances or restrictions are not applicable to any Person or the property or assets of any Person other than such Person or the property or assets of such Person so acquired, and any extensions, refinancings, renewals or replacements thereof; *provided* that the encumbrances and restrictions in any such extension, refinancing, renewal or replacement, taken as a whole, are no more restrictive in any material respect than those encumbrances or restrictions that are then in effect and that are being extended, refinanced, renewed or replaced as determined in good faith by the Company;

(d) that otherwise would be prohibited by the provision described in clause (1) of this covenant if they arise, or are agreed to, in the ordinary course of business and (i) restrict in a customary manner the subletting, assignment or transfer of any property or asset that is subject to a lease or license, (ii) exist by virtue of any Lien on, or agreement to transfer, option or similar right with respect to any property or assets of the Company or any Restricted Subsidiary not otherwise prohibited by the Indenture or (iii) do not relate to any Indebtedness, and that do not, individually or in the aggregate, detract from the value of property or assets of the Company or any Restricted Subsidiary in any manner material to the Company or any Restricted Subsidiary;

(e) with respect to a Restricted Subsidiary and imposed pursuant to an agreement that has been entered into for the sale or disposition of all or substantially all of the Capital Stock of, or property and assets of, such Restricted Subsidiary that is permitted by the "—Limitation on Sales and Issuances of Capital Stock in Restricted Subsidiaries," "—Limitation on Indebtedness" and "—Limitation on Asset Sales" covenants;

(f) with respect to any Restricted Subsidiary and imposed pursuant to an agreement that has been entered into for the Incurrence of Indebtedness permitted under the "—Limitation on Indebtedness" covenant if, as determined by the Board of Directors, the encumbrances or restrictions (i) are customary for such type of agreement and (ii) would not, at the time agreed to, be expected to materially and adversely affect the ability of the Company or the Subsidiary Guarantors to make required payments on the Notes or any Subsidiary Guarantee;

(g) existing under or by reason of purchase money obligations for property acquired in connection with the Permitted Business and Capitalized Lease Obligations that impose restrictions on the

property purchased or leased of the nature described in clause (1)(d) above and are incurred in accordance with the "—Limitation on Indebtedness" covenant;

(h) existing under or by reason of customary non-assignment provisions in contracts and licenses entered into in connection with the Permitted Business;

(i) existing under or by reason of provisions limiting the disposition or distribution of assets or property in joint venture agreements, asset sale agreements, sale and leaseback agreements, stock sale agreements and other similar agreements entered into with the approval of the Company's Board of Directors, if the encumbrances or restrictions would not, at the time agreed to, be expected to materially adversely affect the ability of the Company and any Subsidiary Guarantors to make required payments on the Notes;

(j) existing under or by reason of restrictions on cash or other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business;

(k) existing under or by reason of customary restrictions imposed on the transfer of, or in licenses related to, copyrights, patents or other intellectual property and contained in agreements entered into in the ordinary course of business; or

(l) existing under or by reason of Permitted Refinancing Indebtedness; *provided* that the encumbrances and restrictions contained in the agreements governing that Permitted Refinancing Indebtedness are not materially more restrictive, taken as a whole, than those contained in the agreements governing the debt being refinanced.

Limitation on Sales and Issuances of Capital Stock in Restricted Subsidiaries

The Company will not sell, and will not permit any Restricted Subsidiary, directly or indirectly, to issue or sell, any shares of Capital Stock of a Restricted Subsidiary (including in each case options, warrants or other rights to purchase shares of such Capital Stock) except:

(1) to the Company or a Wholly Owned Restricted Subsidiary;

(2) to the extent such Capital Stock represents director's qualifying shares or is required by applicable law to be held by a Person other than the Company or a Wholly Owned Restricted Subsidiary;

(3) the issuance or sale of Capital Stock of a Restricted Subsidiary (which remains a Restricted Subsidiary after any such issuance or sale); *provided* that the Company or such Restricted Subsidiary applies the Net Cash Proceeds of such issuance or sale, to the extent required, in accordance with the "—Limitation on Asset Sales" covenant;

(4) the issuance or sale of Capital Stock of a Restricted Subsidiary if, immediately after giving effect to such issuance or sale, such Restricted Subsidiary would no longer constitute a Restricted Subsidiary and any remaining Investment in such Person would have been permitted to be made under the "Limitation on Restricted Payments" covenant if made on the date of such issuance or sale and *provided* that the Company complies with the "—Limitation on Asset Sales" covenant; and

(5) the issuance of Capital Stock of a Restricted Subsidiary upon conversion of any Indebtedness of any such Restricted Subsidiary following a default on such Indebtedness by such Restricted Subsidiary.

Limitation on Issuances of Guarantees by Restricted Subsidiaries

The Company will not permit any Restricted Subsidiary which is not a Subsidiary Guarantor, directly or indirectly, to provide any guarantee for any Indebtedness ("Guaranteed Indebtedness") of the Company or any Subsidiary Guarantor unless (a) such Restricted Subsidiary simultaneously executes and delivers a supplemental indenture to the Indenture providing for an unsubordinated Subsidiary Guarantee of payment of the Notes by such Restricted Subsidiary and (b) such Restricted Subsidiary waives and will not in any manner whatsoever claim, or take the benefit or advantage of, any rights of reimbursement, indemnity or subrogation or any other rights against the Company or any other Restricted Subsidiary as a result of any payment by such Restricted Subsidiary under its Subsidiary Guarantee until the Notes have been paid in full.

If the Guaranteed Indebtedness (A) ranks *pari passu* in right of payment with the Notes or any Subsidiary Guarantee, then the guarantee of such Guaranteed Indebtedness shall rank *pari passu* in right of payment with, or subordinated to, the Subsidiary Guarantee or (B) is subordinated in right of payment to the Notes or any Subsidiary Guarantee, then the guarantee of such Guaranteed Indebtedness shall be subordinated in right of payment to the Subsidiary Guarantee at least to the extent that the Guaranteed Indebtedness is subordinated to the Notes or the Subsidiary Guarantee.

Limitation on Transactions with Shareholders and Affiliates

The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, enter into, renew or extend any transaction or arrangement (or service of related transactions or arrangements) (including, without limitation, the purchase, sale, lease or exchange of property or assets, or the rendering of any service) with (x) any holder (or any Affiliate of such holder) of 5.0% or more of any class of Capital Stock of the Company or (y) any Affiliate of the Company (each an "Affiliate Transaction"), involving aggregate payments or consideration in excess of US$500,000 or the Dollar Equivalent thereof, unless:

(1) the Affiliate Transaction is on fair and reasonable terms that are no less favorable to the Company or the relevant Restricted Subsidiary, as the case may be, than those that would have been obtained in a comparable transaction by the Company or the relevant Restricted Subsidiary with a Person that is not an Affiliate of the Company; and

(2) the Company delivers to the Trustee:

    (a) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of US$5.0 million (or the Dollar Equivalent thereof), a Board Resolution set forth in an Officer's Certificate certifying that such Affiliate Transaction complies with this covenant and such Affiliate Transaction has been approved by a majority of the disinterested members of the Board of Directors; *provided* that, if no disinterested member of the Board of Directors exists with respect to any Affiliate Transaction, the transaction may be approved by a majority of the members of the Board of Directors if the requirements of clause (b) below are met with respect to such Affiliate Transaction as if it involved aggregate consideration in excess of US$10.0 million; and

    (b) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of US$10.0 million (or the Dollar Equivalent thereof), in addition to the Board Resolution required in clause 2(a) above, an opinion as to the fairness to the Company or such Restricted Subsidiary, as the case may be, of such Affiliate Transaction from a financial point of view issued by an accounting, appraisal or investment banking firm of recognized standing or an Independent Engineer.

The foregoing limitation does not limit, and shall not apply to:

(1) any employment or compensation agreement (whether based in cash or securities), officer or director indemnification agreement, severance or termination agreement or any similar arrangement entered into by the Company or any of its Restricted Subsidiaries and payments pursuant thereto and any transactions pursuant to stock option plans, stock ownership plans and employee benefit plans or similar arrangements approved by the Board of Directors in each case in the ordinary course of business;

(2) the payment of reasonable and customary fees and reimbursement of expenses (pursuant to indemnity arrangements or otherwise) of officers, directors, employees or consultants of the Company or any of its Restricted Subsidiaries;

(3) transactions between or among the Company and any Wholly Owned Restricted Subsidiary or between or among Wholly Owned Restricted Subsidiaries which are entered into in the ordinary course of business and approved by the majority of the Board of Directors;

(4) any Restricted Payment of the type described in clause (1) or (2) of the first paragraph of the covenant described above under "—Limitation on Restricted Payments" if permitted by that covenant;

(5) any sale of Capital Stock (other than Disqualified Stock) of the Company (or options, warrants or other rights to acquire such Capital Stock) or any contribution of capital to the Company;

(6) any agreement between any Person and an Affiliate of such Person existing at the time such Person is acquired by or merged into the Company or any of its Restricted Subsidiaries; *provided* that such agreement was not entered into in contemplation of such acquisition or merger;

(7) any purchases by the Company's Affiliates of Indebtedness or Disqualified Stock of the Company or any of its Restricted Subsidiaries where at least 90% of such Indebtedness or Disqualified Stock is purchased by Persons who are not Affiliates of the Company;

(8) transactions contemplated pursuant to agreements or arrangements in effect on the Original Issue Date and described in this offering memorandum, or any amendment or modification or replacement thereof that is not materially more disadvantageous to the Company than the agreement or arrangement in effect on the Original Issue Date; and

(9) transactions permitted by, and complying with, the covenant described under "—Consolidation, Merger and Sale of Assets."

In addition, the requirements of clause (2) of the first paragraph of this covenant shall not apply to any transaction between or among the Company, any Wholly Owned Restricted Subsidiary and any Restricted Subsidiary that is not a Wholly Owned Restricted Subsidiary or between or among any of them; *provided* that none of the minority shareholders or minority partners of or in such non-Wholly Owned Restricted Subsidiary is a Person described in clauses (x) or (y) of the first paragraph of this covenant (other than by reason of such minority shareholder or minority partner being an officer or director of such Restricted Subsidiary) and the requirement of clause (2)(b) of the first paragraph of this covenant shall not apply to transactions with concessionaires, licensees, customers, clients, suppliers, vendors or purchasers or sellers of goods or services, derivatives, insurance or Hedging Obligations or lessors or lessees or providers of employees or other labor or property, including, in each case, the Permitted Holders, in the ordinary course of business.

Limitation on Liens

The Company will not, and the Company will not permit any of its Restricted Subsidiaries to, directly or indirectly, incur, assume or permit to exist any Lien on the Collateral (other than Permitted Liens).

The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, incur, assume or permit to exist any Lien (other than Permitted Liens) of any nature whatsoever on any of its assets or properties of any kind (other than the Collateral), whether owned at the Original Issue Date or thereafter acquired, unless the Notes are (or, in respect of any Lien on any Subsidiary Guarantor's property or assets, any Subsidiary Guarantee of such Restricted Subsidiary is) equally and ratably secured by such Lien.

Limitation on Sale and Leaseback Transactions

The Company will not, and will not permit any Restricted Subsidiary to, enter into any Sale and Leaseback Transaction; *provided* that the Company or a Restricted Subsidiary may enter into a Sale and Leaseback Transaction if:

(1) the Company or such Restricted Subsidiary could have (a) Incurred Indebtedness in an amount equal to the Attributable Indebtedness relating to such Sale and Leaseback Transaction under the covenant described under "—Limitation on Indebtedness" and (b) incurred a Lien to secure such Indebtedness pursuant to the covenant described above under "—Limitation on Liens," in which case, the corresponding Indebtedness will be deemed Incurred and the corresponding Lien will be deemed incurred pursuant to those provisions;

(2) the gross cash proceeds of that Sale and Leaseback Transaction are at least equal to the Fair Market Value of the property that is the subject of such Sale and Leaseback Transaction; and

(3) the transfer of assets in that Sale and Leaseback Transaction is not prohibited by the covenant described below under "—Limitation on Asset Sales."

Limitation on Asset Sales

The Company will not, and will not permit any Restricted Subsidiary to, consummate any Asset Sale, unless:

(1) the consideration received by the Company or such Restricted Subsidiary, as the case may be, is at least equal to the Fair Market Value of the assets sold or disposed of; and

(2) at least 75% of the consideration received consists of cash, Temporary Cash Investments or Replacement Assets (as defined below); *provided* that in the case of an Asset Sale in which the Company or such Restricted Subsidiary receives Replacement Assets involving aggregate consideration in excess of US$25.0 million (or the Dollar Equivalent thereof), the Company shall deliver to the Trustee an opinion of fairness to the Company or such Restricted Subsidiary of such Asset Sale from a financial point of view issued by an accounting, appraisal or investment banking firm of recognized standing or Independent Engineer. For purposes of this provision, each of the following will be deemed to be cash:

(a) any liabilities, as shown on the Company's most recent consolidated balance sheet, of the Company or any Restricted Subsidiary (other than contingent liabilities and liabilities that are by

their terms subordinated to the Notes or any Subsidiary Guarantee) that are assumed by the transferee of any such assets pursuant to a customary assumption, assignment, novation or similar agreement that releases the Company or such Restricted Subsidiary, as the case may be, from or indemnifies them against further liability; and

(b) any securities, notes or other obligations received by the Company or any Restricted Subsidiary from such transferee that are promptly, but in any event within 90 days of closing, converted by the Company or such Restricted Subsidiary, as the case may be, into cash, to the extent of the cash received in that conversion.

(3) Within 365 days after the receipt of any Net Cash Proceeds from an Asset Sale, the Company or the applicable Restricted Subsidiary, as the case may be, may apply an amount equal to such Net Cash Proceeds:

(a) if and to the extent the Asset Sale relates to Collateral:

(i) to permanently repay any Senior Indebtedness secured by the Collateral (including the Notes) (and if any such Senior Indebtedness is revolving credit Indebtedness, to correspondingly permanently reduce commitments with respect thereto), in each case owing to a Person other than the Company or a Restricted Subsidiary, *provided* that to the extent no Senior Indebtedness (other than the Notes) remains outstanding, the Company or the applicable Restricted Subsidiary, as the case may be, may apply such Net Cash Proceeds to make an Offer to Purchase to all Holders in accordance with the procedures set forth in clause (4) below (subject to applicable RBI guidelines and to the extent permitted under the Concession Agreement), at a purchase price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, and purchase any Notes tendered (and not validly withdrawn) in connection therewith; or

(ii) make capital expenditures or acquire properties and assets that replace the properties and assets that were the subject of such Asset Sale or properties or assets (other than current assets) that are used or will be used in the Permitted Business, acquire all or substantially all of the assets of or the Capital Stock of, a Person, or a line of business, the primary business of which is a Permitted Business, or any combination of the foregoing, in each case ("Replacement Assets"); and

(b) if and to the extent the Asset Sale does not relate to Collateral:

(i) permanently repay any Senior Indebtedness (and if any such Indebtedness is revolving credit Indebtedness, to correspondingly permanently reduce commitments with respect thereto), in each case owing to a Person other than the Company or a Restricted Subsidiary;

(ii) acquire Replacement Assets; or

(iii) fund the operating requirements of the Company;

provided that, pending the application of Net Cash Proceeds in accordance with clauses (a) or (b) of this paragraph, such Net Cash Proceeds may be temporarily invested only in cash or Temporary Cash Investments or be used to temporarily reduce revolving credit Indebtedness.

(4) Any amount of Net Cash Proceeds from Asset Sales that are not applied or invested as provided in clause (3) will constitute "Excess Proceeds." Excess Proceeds of less than US$10.0 million (or the Dollar Equivalent thereof) will be carried forward and accumulated. When accumulated Excess Proceeds exceed US$10.0 million (or the Dollar Equivalent thereof), subject to applicable RBI guidelines and to the extent permitted under the Concession Agreement, within ten (10) Business Days thereof, the Company must make an Offer to Purchase Notes having a principal amount equal to:

(a) accumulated Excess Proceeds, multiplied by

(b) a fraction (x) the numerator of which is equal to the outstanding principal amount of the Notes and (y) the denominator of which is equal to the outstanding principal amount of the Notes and (i) to the extent the Asset Sale relates to Collateral, all Indebtedness under any Permitted Pari Passu Secured Indebtedness; and (ii) to the extent the Asset Sales does not relate to Collateral, all Senior Indebtedness, in any such case similarly required to be repaid, redeemed or tendered for in connection with the Asset Sale, rounded down to the nearest US$1,000.

The offer price in any Offer to Purchase will be equal to 100% of the principal amount plus accrued and unpaid interest to the date of purchase, and will be payable in cash.

If any Excess Proceeds remain after consummation of an Offer to Purchase, the Company may use those Excess Proceeds for any purpose not otherwise prohibited by the Indenture. If the aggregate principal amount of Notes tendered in such Offer to Purchase exceeds the amount of Excess Proceeds, the Trustee will select the Notes to be purchased on a pro rata basis. Upon completion of each Offer to Purchase, the amount of Excess Proceeds will be reset at zero.

Limitation on Business Activities

The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, engage in any business other than Permitted Businesses.

Use of Proceeds

The Company will not use the net proceeds from the sale of the Notes issued and sold on the Original Issue Date, in any amount, for any purpose other than (1) as specified under "Use of Proceeds" in this offering memorandum and (2) pending the application of all of such net proceeds in such manner, to invest the portion of such net proceeds not yet so applied in cash or Temporary Cash Investments.

Designation of Restricted and Unrestricted Subsidiaries

The Board of Directors may designate any Restricted Subsidiary to be an Unrestricted Subsidiary; *provided* that (1) no Default shall have occurred and be continuing at the time of or after giving effect to such designation; (2) such Restricted Subsidiary does not own any Disqualified Stock of the Company or Disqualified Stock or Preferred Stock of a Restricted Subsidiary or hold any Indebtedness of, or any Lien on any property of, the Company or any Restricted Subsidiary, if such Disqualified Stock or Preferred Stock or Indebtedness could not be Incurred under the covenant described under "—Limitation on Indebtedness" or such Lien would violate the covenant described under "—Limitation on Liens"; (3) such Restricted Subsidiary does not own any Voting Stock of another Restricted Subsidiary (other than Restricted Subsidiaries concurrently designated to be Unrestricted Subsidiaries in accordance with this covenant), and all of its Subsidiaries are Unrestricted Subsidiaries or are being concurrently designated to be Unrestricted Subsidiaries in accordance with this paragraph; (4) such Restricted Subsidiary has no outstanding Indebtedness that could trigger a cross-default to

the Indebtedness of the Company or any other Restricted Subsidiary; and (5) the Investment deemed to have been made thereby in such newly designated Unrestricted Subsidiary and each other newly designated Unrestricted Subsidiary being concurrently redesignated would be permitted to be made by the covenant described under "—Limitation on Restricted Payments."

The Board of Directors may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided* that (1) no Default shall have occurred and be continuing at the time of or after giving effect to such designation; (2) any Indebtedness of such Unrestricted Subsidiary outstanding at the time of such designation which will be deemed to have been Incurred by such newly designated Restricted Subsidiary as a result of such designation would be permitted to be Incurred by the covenant described under "—Limitation on Indebtedness"; (3) any Lien on the property of such Unrestricted Subsidiary at the time of such designation, which Liens will be deemed to have been incurred by such newly designated Restricted Subsidiary as a result of such designation, would be permitted to be incurred by the covenant described under "—Limitation on Liens"; and (4) such Unrestricted Subsidiary is not a Subsidiary of another Unrestricted Subsidiary (that is not concurrently being designated as a Restricted Subsidiary).

All designations must be evidenced by a Board Resolution delivered to the Trustee certifying compliance with the preceding provisions.

Government Approvals and Licenses; Compliance with Law

The Company will, and will cause each Restricted Subsidiary to, (1) obtain and maintain in full force and effect substantially all governmental approvals, authorizations, consents, permits, concessions and licenses as are necessary to engage in the Permitted Business, including the Project Agreements; (2) comply with the terms of the Project Agreements and not take any action or omit to take any action that could give rise to the right of any party to terminate the relevant Project Agreement or, in the case of the Concession Agreement, to permit substitution of the Company by another person under the Concession Agreement or other agreement; (3) preserve and maintain good and valid title to its properties and assets (including land-use rights) free and clear of any Liens other than as permitted by the covenant described under "Limitation on Liens"; and (4) comply with all laws, regulations, orders, judgments and decrees of any governmental body, except to the extent that failure so to obtain, maintain, comply or preserve and maintain would not reasonably be expected to have a material adverse effect on the business, results of operations or prospects of the Company and its Restricted Subsidiaries, taken as a whole.

Anti-Layering

The Company will not Incur, and will not permit any Subsidiary Guarantor to Incur, any Indebtedness if such Indebtedness is contractually subordinated in right of payment to any other Indebtedness of the Company or any Subsidiary Guarantor, as the case may be, unless such Indebtedness is also contractually subordinated in right of payment to the Notes and the applicable Subsidiary Guarantees on substantially identical terms. No Indebtedness will be deemed to be contractually subordinated in right of payment to any other Indebtedness by virtue of being unsecured, or by reason of any Liens or Guarantees securing or in favor of some but not all of such Indebtedness or as a result of Indebtedness having a junior priority with respect to the same collateral or being secured by different collateral.

Suspension of Certain Covenants

If on any date following the date of the Indenture, the Notes have a rating of Investment Grade from both of the Rating Agencies and no Default has occurred and is continuing, then, beginning on that day and continuing

until such time, if any, at which the Notes cease to have a rating of Investment Grade from both of the Rating Agencies (such period, the "Suspension Period"), the provisions of the Indenture summarized under the following captions will be suspended:

(1) "—Certain Covenants—Limitation on Indebtedness";

(2) "—Certain Covenants—Limitation on Restricted Payments";

(3) "—Certain Covenants—Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries";

(4) "—Certain Covenants—Limitation on Sales and Issuances of Capital Stock in Restricted Subsidiaries";

(5) "—Certain Covenants—Limitation on Issuances Guarantees by Restricted Subsidiaries";

(6) "—Certain Covenants—Limitation on Sale and Leaseback Transactions";

(7) "—Certain Covenants—Limitation on Asset Sales;" and

(8) clauses (3) of the first and second paragraph of the covenant summarized under "—Consolidation, Merger of Sale or Assets."

During any period that the foregoing covenants have been suspended, the Board of Directors may not designate any of the Restricted Subsidiaries as Unrestricted Subsidiaries pursuant to the covenant summarized under "—Certain Covenants—Designation of Restricted and Unrestricted Subsidiaries" or the definition of "Unrestricted Subsidiary."

Such covenants will be reinstituted and apply according to their terms as of and from the first day on which a Suspension Period ceases to be in effect. Such covenants will not, however, be of any effect with regard to actions of the Company or any Restricted Subsidiary properly taken in compliance with the provisions of the Indenture during the continuance of the Suspension Period, and following reinstatement (1) the calculations under the covenant summarized under "—Certain Covenants—Limitation on Restricted Payments" will be made as if such covenant had been in effect since the date of the Indenture except that no Default will be deemed to have occurred solely by reason of a Restricted Payment made while that covenant was suspended and (2) all Indebtedness incurred, or Disqualified Stock or preferred stock issued, during the Suspension Period will be classified to have been incurred or issued pursuant to clause (2)(c) of the covenant summarized under "—Certain Covenants—Limitation on Indebtedness." Upon the occurrence of a Suspension Period, the amount of Excess Proceeds shall be reset to the amount in effect at the beginning of the Suspension Period.

There can be no assurance that the Notes will ever achieve a rating of Investment Grade or that any such rating will be maintained.

Provision of Financial Statements and Reports

So long as any of the Notes remain outstanding, the Company will provide to the Trustee and, upon request, furnish to the Holders the following reports, in the English language:

(1) within 120 days after the end of the Company's fiscal year beginning with the first fiscal year ending after the Original Issue Date, the following information: (a) audited consolidated balance sheets of the

Company as of the end of the two most recent fiscal years and audited consolidated income statements and statements of cash flow of the Company for the two most recent fiscal years, including complete footnotes to such financial statements and the audit report of a member firm of an internationally recognized firm of independent accountants on the financial statements; and (b) an operating and financial review of the audited financial statements, including a discussion of the consolidated results of operations, financial condition, EBITDA and material changes in liquidity and capital resources of the Company, and a discussion of material recent developments, material commitments and contingencies and critical accounting policies;

(2) within 60 days following the end of the first three fiscal quarters in each fiscal year of the Company beginning with the quarter ending after the Original Issue Date, quarterly reports of the Company containing the following information: (a) an unaudited condensed consolidated balance sheet as of the end of such quarter and unaudited condensed consolidated statements of income and cash flow for the most recent quarter year-to-date period ending on the unaudited condensed consolidated balance sheet date, and in each case the comparable prior year period(s), together with condensed footnote disclosure; and (b) an operating and financial review of the unaudited consolidated financial statements, including a discussion of the consolidated results of operations, financial condition, EBITDA and material changes in liquidity and capital resources of the Company, and a discussion of material recent developments, material commitments and contingencies and critical accounting policies since the most recent report; and

(3) promptly after the occurrence of (i) any Material Acquisition or Disposition or restructuring or (ii) any other material event not in the ordinary course of business, that the Company or Restricted Subsidiary announces publicly, a report containing a description of such event.

In addition, so long as any Note remains outstanding, the Company will provide to the Trustee (a) within 120 days after the close of each fiscal year, an Officer's Certificate stating the Fixed Charge Coverage Ratio with respect to the four most recent fiscal quarters and showing in reasonable detail the calculation of the Fixed Charge Coverage Ratio, including the arithmetic computations of each component of the Fixed Charge Coverage Ratio, together with a certificate from the Company's external auditors verifying the accuracy and correctness of the calculations and arithmetic computations made; *provided* that the Company will not be required to provide such auditor certification if its external auditors refuse to provide such certification as a result of any policy of such external auditors prohibiting such certification; and as soon as possible and in any event within 10 days after the Company or any Subsidiary Guarantor becomes aware or should reasonably become aware of the occurrence of a Default, an Officer's Certificate setting forth the details of the Default, and the action which the Company and the Subsidiary Guarantors propose to take with respect thereto.

If at any time the Company is required by (a) the lenders or holders of any Indebtedness or (b) applicable stock exchange rules or securities regulations to provide its consolidated annual or quarterly financial statements as set forth above prior to the delivery dates specified above, the Company shall provide the reports set forth above to the Trustee and, upon request, furnish such reports to the Holders on or before such earlier dates.

All historical financial statements shall be prepared in accordance with GAAP and on a consistent basis for the periods presented; *provided* that the reports set forth in clauses (1) and (2) above may, in the event of a change in applicable GAAP, present earlier periods on the basis of GAAP that applied to such periods.

At any time that any of the Company's Subsidiaries are Unrestricted Subsidiaries and any such Unrestricted Subsidiary or group of Unrestricted Subsidiaries, if taken together as one Subsidiary, would constitute a Significant Subsidiary of the Company, then the annual and quarterly financial information required by clauses (1) and (2) of this covenant shall include a summary presentation, either on the face of the financial statements or

in the footnotes thereto or in the operating and financial review of the financial statements of the revenue, EBITDA, net income, cash, total assets, total debt, shareholders equity, capital expenditures and interest expense of such Unrestricted Subsidiaries.

Events of Default

The following events will be defined as "Events of Default" in the Indenture:

(1) default in the payment of principal of (or premium, if any, on) the Notes when the same becomes due and payable at maturity, upon acceleration, redemption or otherwise;

(2) default in the payment of interest (including Additional Amounts) on any Note when the same becomes due and payable, and such default continues for a period of 30 days;

(3) default in the performance or breach of the provisions of the covenants described under "—Consolidation, Merger and Sale of Assets," "—Certain Covenants—Limitation on Liens," "—Redemption of Notes Upon Certain Changes in Capital or Currency Exchange Controls," or the failure by the Company to make or consummate an Offer to Purchase in the manner described under "—Repurchase of Notes upon a Change of Control Triggering Event" or "—Certain Covenants—Limitation on Asset Sales";

(4) the Company or any Restricted Subsidiary defaults in the performance of or breaches any other covenant or agreement in the Indenture or under the Notes (other than a default specified in clause (1), (2) or (3) above) and such default or breach continues for a period of 30 consecutive days after written notice by the Trustee or the Holders of 25% or more in aggregate principal amount of the Notes;

(5) there occurs with respect to any Indebtedness of the Company or any Restricted Subsidiary having an outstanding principal amount of US$25.0 million (or the Dollar Equivalent thereof) or more in the aggregate for all such Indebtedness of all such Persons, whether such Indebtedness now exists or shall hereafter be created, (a) an event of default that results in such Indebtedness being due and payable prior to its Stated Maturity through the actions of the holders thereof or otherwise and/or (b) a default in payment of principal of, or interest or premium on, or any other amounts in respect of, such Indebtedness when the same becomes due and payable (following any applicable grace periods);

(6) one or more final judgments or orders for the payment of money are rendered against the Company or any Restricted Subsidiary and are not paid or discharged, and there is a period of 90 consecutive days following entry of the final judgment or order that causes the aggregate amount for all such final judgments or orders outstanding and not paid or discharged against all such Persons (other than judgments or orders covered by indemnities provided by, or insurance policies issued by, reputable companies) to exceed US$25.0 million (or the Dollar Equivalent thereof) during which a stay of enforcement, by reason of a pending appeal or otherwise, is not in effect;

(7) an involuntary case or other proceeding is commenced against the Company or any Restricted Subsidiary that is a Significant Subsidiary or any group of Restricted Subsidiaries that, taken together as of the latest audited consolidated financial statements for the Company, would constitute a Significant Subsidiary, with respect to it or its debts under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect seeking the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Company, any Restricted Subsidiary that is a Significant Subsidiary or any group of Restricted Subsidiaries that, taken together as of the latest

audited consolidated financial statements for the Company, would constitute a Significant Subsidiary, or for any substantial part of the property and assets of the Company, any Restricted Subsidiary that is a Significant Subsidiary or any group of Restricted Subsidiaries that, taken together as of the latest audited consolidated financial statements for the Company, would constitute a Significant Subsidiary, and such involuntary case or other proceeding remains undismissed and unstayed for a period of 60 consecutive days; or an order for relief is entered against the Company, any Restricted Subsidiary that is a Significant Subsidiary or any group of Restricted Subsidiaries that, taken together as of the latest audited consolidated financial statements for the Company, would constitute a Significant Subsidiary, under any applicable bankruptcy, insolvency or other similar law as now or hereafter in effect;

(8) the Company, any Restricted Subsidiary that is a Significant Subsidiary or any group of Restricted Subsidiaries that, taken together as of the latest audited consolidated financial statements for the Company, would constitute a Significant Subsidiary (a) commences a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or consents to the entry of an order for relief in an involuntary case under any such law, (b) consents to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Company, any Restricted Subsidiary that is a Significant Subsidiary or any group of Restricted Subsidiaries that, taken together as of the latest audited consolidated financial statements for the Company, would constitute a Significant Subsidiary or for all or substantially all of the property and assets of such entity or entities or (c) effects any general assignment for the benefit of creditors;

(9) any Subsidiary Guarantor denies or disaffirms its obligations under its Subsidiary Guarantee or, except as permitted by the Indenture, any Subsidiary Guarantee is determined to be unenforceable or invalid or will for any reason cease to be in full force and effect;

(10) any default by the Company or any Subsidiary Guarantor in the performance of any of its obligations under the Security Documents that adversely affects the enforceability, validity, perfection or priority of the applicable Lien on the Collateral or that adversely affects the condition or value of the Collateral;

(11) the Company or any Subsidiary Guarantor denies or disaffirms its obligations under any Security Document or, other than in accordance with the Indenture and the Security Documents, any Security Document (other than the Direct Agreement) ceases to be or is not in full force and effect;

(12) other than in accordance with the Indenture, once entered into by the Company, the Ministry of Civil Aviation and the Security Trustee, the Direct Agreement ceases to be or is not in full force and effect;

(13) a moratorium is agreed or declared in respect of any Indebtedness of the Company or any Significant Subsidiary (or any group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary), excluding any moratorium instituted in accordance with the directions or circular of any governmental authority, if such a moratorium is not specifically directed at the Company or its Affiliates or declared by the creditors of the Company or its Affiliates on account of actual stress in the accounts of the Company or its Affiliates, or any governmental authority shall take any action to condemn, seize, nationalize or appropriate all or a substantial part of the assets of the Company or any Restricted Subsidiary or all or a substantial part of the Capital Stock of the Company or any Restricted Subsidiary (in the case the assets or Capital Stock of a Restricted Subsidiary, only where such condemnation, seizure, nationalization or appropriation is material to the Company and its Restricted Subsidiaries, taken as a whole), or the Company or any Restricted Subsidiary shall be prevented from exercising normal control over all or a substantial part of its property (in the case of a Restricted Subsidiary, only where such property is material to the Company and its Restricted Subsidiaries, taken

as a whole), other than pursuant to a temporary requisition of the airport in an emergency, under the terms of the Concession Agreement;

(14) the Company's rights under the Concession Agreement are terminated; or

(15) any default in the operation under the Trust and Retention Account Agreement where such default adversely impacts the priority of payments with respect to the Notes.

If an Event of Default (other than an Event of Default specified in clause (7) or (8) above) occurs and is continuing under the Indenture, the Trustee or the Holders of at least 25% in aggregate principal amount of the Notes then outstanding, by written notice to the Company (and to the Trustee if such notice is given by the Holders), may, and the Trustee at the written direction of such Holders shall, declare the principal of, premium, if any, and accrued and unpaid interest on the Notes to be immediately due and payable. Upon a declaration of acceleration, such principal of, premium, if any, and accrued and unpaid interest shall be immediately due and payable. If an Event of Default specified in clause (7) or (8) above occurs with respect to the Company or any Restricted Subsidiary, the principal of, premium, if any, and accrued and unpaid interest on the Notes then outstanding shall automatically become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holder.

The Holders of at least a majority in principal amount of the outstanding Notes by written notice to the Company and to the Trustee may on behalf of the Holders waive all past defaults and rescind and annul a declaration of acceleration and its consequences if:

(1) all existing Events of Default, other than the nonpayment of the principal of, premium, if any, and interest on the Notes that have become due solely by such declaration of acceleration, have been cured or waived; and

(2) the rescission would not conflict with any judgment or decree of a court of competent jurisdiction.

Upon such waiver, the Default will cease to exist, and any Event of Default arising therefrom will be deemed to have been cured, but no such waiver will extend to any subsequent or other Default or impair any right consequent thereon.

If an Event of Default occurs and is continuing, the Trustee may, or shall upon the written instruction of Holders of at least 25% in aggregate principal amount of the outstanding Notes, instruct the Security Trustee to foreclose on the Collateral in accordance with the terms of the Security Documents and the Intercreditor Agreement and take such further action on behalf of the Holders with respect to the Collateral in accordance with such written instruction, the Security Documents and the Intercreditor Agreement. The Trustee shall not be obliged to take any steps to ascertain whether an Event of Default has occurred or to monitor the occurrence and continuance of any Event of Default, and shall not be liable to the Holders or any other person for not doing so.

The Holders of at least a majority in aggregate principal amount of the outstanding Notes may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee. However, the Trustee may refuse to follow any direction that conflicts with law or the Indenture or the Intercreditor Agreement, that may involve the Trustee in personal liability, or that the Trustee determines in good faith may be unduly prejudicial to the rights of Holders not joining in the giving of such direction and may take any other action it deems proper that is not inconsistent with any such direction received from Holders. In addition, the Trustee will not be required to expend its own funds in following such direction if it does not believe that reimbursement or satisfactory indemnification is assured to it.

A Holder may not institute any proceeding, judicial or otherwise, with respect to the Indenture or the Notes, or for the appointment of a receiver or trustee, or for any other remedy under the Indenture or the Notes, unless:

(1) the Holder has previously given the Trustee written notice of a continuing Event of Default;

(2) the Holders of at least 25% in aggregate principal amount of outstanding Notes make a written request to the Trustee to pursue the remedy;

(3) such Holder or Holders offer the Trustee indemnity satisfactory to the Trustee against any costs, liability or expense to be incurred in compliance with such request;

(4) the Trustee does not comply with the request within (x) 60 days after receipt of the written request pursuant to clause (2) above or (y) 60 days after the receipt of the offer of indemnity pursuant to clause (3) above, whichever occurs later; and

(5) during such 60-day period, the Holders of a majority in aggregate principal amount of the outstanding Notes do not give the Trustee a direction that is inconsistent with the request.

However, such limitations do not apply to the right of any Holder of a Note to receive payment of the principal of, premium, if any, or interest on, such Note or any payment under any Subsidiary Guarantee, or to bring suit for the enforcement of any such payment, on or after the due date expressed in the Notes, which right shall not be impaired or affected without the consent of the Holder. A Holder may not use the Indenture to prejudice the rights of another Holder or to obtain a preference or priority over another Holder.

Officers of the Company must certify to the Trustee in writing, on or before a date not more than 120 days after the end of each fiscal year, that a review has been conducted of the activities of the Company and the Restricted Subsidiaries and the Company's and the Restricted Subsidiaries' performance under the Indenture and that the Company and each Subsidiary Guarantor have fulfilled all of their respective obligations thereunder, or, if there has been a default in the fulfillment of any such obligation, specifying each such default and the nature and status thereof. The Company will also be obligated to notify the Trustee in writing of any default or defaults in the performance of any covenants or agreements under the Indenture, as described under "—Provision of Financial Statements and Reports."

Consolidation, Merger and Sale of Assets

The Company will not consolidate with, merge with or into another Person, permit any Person to merge with or into it, or sell, convey, transfer, lease or otherwise dispose of all or substantially all of the properties and assets of the Company and the Restricted Subsidiaries (computed on a consolidated basis) (as an entirety or substantially an entirety in one transaction or a series of related transactions) unless each of the following conditions is satisfied:

(1) the Company shall be the continuing Person, or the Person (if other than it) formed by such consolidation or merger, or with or into which the Company consolidated or merged, or that acquired or leased such property and assets (the "Surviving Person") shall be a corporation organized and validly existing under the laws of India and shall expressly assume, by a supplemental indenture to the Indenture, executed and delivered to the Trustee, all the obligations of the Company under the Indenture, the Notes and the Security Documents, as the case may be, including the obligation to pay Additional Amounts with respect to any jurisdiction in which it is organized or resident for tax purposes, doing business or otherwise subject to the power to tax or through which it makes payments

or payments are made on its behalf, and the Indenture and the Notes shall remain in full force and effect;

(2) immediately after giving effect to such transaction, no Default shall have occurred and be continuing;

(3) immediately after giving effect to such transaction on a pro forma basis, the Company or the Surviving Person, as the case may be, shall have a Consolidated Net Worth equal to or greater than the Consolidated Net Worth of the Company immediately prior to such transaction;

(4) immediately after giving effect to such transaction on a pro forma basis, the Company or the Surviving Person, as the case may be, could Incur at least US$1.00 of Indebtedness under the proviso of paragraph (1) of the covenant described under "—Certain Covenants—Limitation on Indebtedness"; *provided* that this clause (3) shall not apply to any such consolidation, merger, sale, conveyance, transfer, lease or other disposition with, into or to a Restricted Subsidiary;

(5) the Company shall deliver to the Trustee (x) an Officer's Certificate (attaching the arithmetic computations to demonstrate compliance with clause (3)) and (y) an Opinion of Counsel, in each case stating that such consolidation, merger or transfer and the relevant supplemental indenture complies with this provision and that all conditions precedent provided for in the Indenture relating to such transaction have been complied with;

(6) each Subsidiary Guarantor shall execute and deliver a supplemental indenture to the Indenture confirming that its Subsidiary Guarantee shall apply to the obligations of the Company or the Surviving Person, as the case may be, in accordance with the Notes and the Indenture; and

(7) no Rating Decline shall have occurred.

No Subsidiary Guarantor will consolidate with, merge with or into another Person, permit any Person to merge with or into it, or sell, convey, transfer, lease or otherwise dispose of all or substantially all of the properties and assets of the Subsidiary Guarantor and its Restricted Subsidiaries (computed on a consolidated basis) (as an entirety or substantially an entirety in one transaction or a series of related transactions) to another Person (other than the Company or another Subsidiary Guarantor), unless each of the following conditions is met:

(1) such Subsidiary Guarantor shall be the continuing Person, or the Person (if other than it) formed by such consolidation or merger, or with or into which the Subsidiary Guarantor consolidated or merged, or that acquired or leased such property and assets shall be the Company, another Subsidiary Guarantor or shall become a Subsidiary Guarantor concurrently with the transaction in accordance with the Indenture;

(2) immediately after giving effect to such transaction, no Default shall have occurred and be continuing;

(3) immediately after giving effect to such transaction on a pro forma basis, the Company shall have a Consolidated Net Worth equal to or greater than the Consolidated Net Worth of the Company immediately prior to such transaction;

(4) immediately after giving effect to such transaction on a pro forma basis, the Company could Incur at least US$1.00 of Indebtedness under the proviso of paragraph (1) of the covenant described under "—Certain Covenants—Limitation on Indebtedness"; *provided* that this clause (4) shall not apply to

any such consolidation, merger, sale, conveyance, transfer, lease or other disposition with, into or to a Restricted Subsidiary;

(5) the Company shall deliver to the Trustee (x) an Officer's Certificate (attaching the arithmetic computations to demonstrate compliance with clause (3)) and (y) an Opinion of Counsel, in each case stating that such consolidation, merger or transfer and the relevant supplemental indenture complies with this provision and that all conditions precedent provided for in the Indenture relating to such transaction have been complied with; and

(6) no Rating Decline shall have occurred;

provided that this paragraph shall not apply to any sale or other disposition that complies with the "Limitation on Asset Sales" covenant or any Subsidiary Guarantor whose Subsidiary Guarantee is unconditionally released in accordance with the provisions described under "—The Subsidiary Guarantees—Release of the Subsidiary Guarantees."

The foregoing provisions would not necessarily afford Holders protection in the event of highly leveraged or other transactions involving the Company or the Subsidiary Guarantors that may adversely affect Holders.

No Payments for Consents

The Company will not, and will not permit any of its Subsidiaries to, directly or indirectly, pay or cause to be paid any consideration, whether by way of interest, fee or otherwise, to any Holder for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of the Indenture, the Notes or any Subsidiary Guarantee unless such consideration is offered to be paid or is paid to all Holders that consent, waive or agree to amend such term or provision within the time period set forth in the solicitation documents relating to such consent, waiver or amendment. Notwithstanding the foregoing, in any offer or payment of consideration for, or as an inducement to, any consent, waiver or amendment of any of the terms or provisions of the Indenture or the Notes in connection with an exchange or tender offer, the Company and any Restricted Subsidiary may exclude (i) Holders or beneficial owners of the Notes that are not "qualified institutional buyers" as defined under the Securities Act, and (ii) Holders or beneficial owners of the Notes in any jurisdiction where the inclusion of such Holders or beneficial owners would require the Company or any Restricted Subsidiary to comply with the registration requirements or other similar requirements under any securities laws of such jurisdiction, or the solicitation of such consent, waiver or amendment from, or the granting of such consent or waiver, or the approval of such amendment by, Holders or beneficial owners in such jurisdiction would be unlawful, in each case as determined by the Company in its sole discretion.

Defeasance

Defeasance and Discharge

The Indenture will provide that the Company will be deemed to have paid and will be discharged from any and all obligations in respect of the Notes on the 183rd day after the deposit referred to below, and the provisions of the Indenture will no longer be in effect with respect to the Notes (except for, among other matters, certain obligations to register the transfer or exchange of the Notes, to replace stolen, lost or mutilated Notes, to maintain paying agencies and to hold monies for payment in trust) if, among other things:

(1) the Company (a) has deposited with the Trustee, in trust, cash in U.S. dollars, U.S. Government Obligations or a combination thereof that through the payment of interest and principal in respect

thereof in accordance with their terms will provide money in an amount sufficient to pay the principal of, premium, if any, and accrued interest on the Notes on the Stated Maturity of such payments in accordance with the terms of the Indenture and the Notes and (b) delivers to the Trustee an Opinion of Counsel or a certificate of an internationally recognized firm of independent accountants to the effect that the amount deposited by the Company is sufficient to provide payment for the principal of, premium, if any, and accrued interest on, the Notes on the Stated Maturity of such payment in accordance with the terms of the Indenture and an Opinion of Counsel to the effect that the Holders have a valid, perfected, exclusive Lien over such trust;

(2) the Company has delivered to the Trustee an Opinion of Counsel from a law firm of recognized international standing to the effect that the creation of the defeasance trust does not violate the U.S.

Investment Company Act of 1940, as amended, and after the passage of 123 days following the deposit, the trust fund will not be subject to the effect of Section 547 of the United States Bankruptcy Code or Section 15 of the New York Debtor and Creditor Law;

(3) the Company shall have delivered to the Trustee an Officer's Certificate stating that the deposit was not made by it with the intent of preferring the Holders over any other of its creditors or with the intent of defeating, hindering, delaying or defrauding any other of its creditors or others;

(4) immediately after giving effect to such deposit on a pro forma basis, no Event of Default, or event that after the giving of notice or lapse of time or both would become an Event of Default, shall have occurred and be continuing on the date of such deposit or during the period ending on the 183rd day after the date of such deposit, and such defeasance shall not result in a breach or violation of, or constitute a default under, any other agreement or instrument to which the Company or any of the Restricted Subsidiaries is a party or by which the Company or any of the Restricted Subsidiaries is bound;

(5) the Company shall have delivered to the Trustee an Opinion of Counsel from a law firm of recognized international standing with respect to U.S. tax matters to the effect that the Holders of the notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such deposit and defeasance and will be subject to U.S. federal income tax on the same amount and in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred, and, such Opinion of Counsel must be based on a ruling of the U.S. Internal Revenue Service or a change in applicable U.S. federal income tax law.

In the case of either discharge or defeasance of the Notes, each of the Subsidiary Guarantees will terminate.

Defeasance of Certain Covenants

The Indenture will further provide that the provisions of the Indenture will no longer be in effect with respect to clauses (3), (4) and (7) under the first paragraph and (3), (4) and (6) under the second paragraph under "—Consolidation, Merger and Sale of Assets" and all the covenants described herein under "—Certain Covenants," other than as described under "—Certain Covenants—Government Approvals and Licenses; Compliance with Law" and "—Certain Covenants—Anti-Layering," and clause (3) under "Events of Default" with respect to such clauses (3), (4) and (7) under the first paragraph and (3), (4) and (6) under the second paragraph under "—Consolidation, Merger and Sale of Assets" and with respect to the other events set forth in such clause, clause (4) under "—Events of Default" with respect to such other covenants and clauses (5), (6), (7) and (8) under "—Events of Default" shall be deemed not to be Events of Default upon, among other things, the

deposit with the Trustee, in trust, of cash in U.S. dollars, U.S. Government Obligations or a combination thereof that through the payment of interest and principal in respect thereof in accordance with their terms will provide money in an amount sufficient to pay the principal of, premium, if any, and accrued interest on the Notes on the Stated Maturity of such payments in accordance with the terms of the Indenture and the Notes, and the satisfaction of the provisions described in clause (2) and (5) of the preceding paragraph; *provided* that the Opinion of Counsel with respect to U.S. tax matters need not be based on a ruling of the U.S. Internal Revenue Service or a change in applicable U.S. federal income tax law.

Defeasance and Certain Other Events of Default

In the event the Company exercises its option to omit compliance with certain covenants and provisions of the Indenture with respect to the Notes as described in the immediately preceding paragraph and the Notes are declared due and payable because of the occurrence of an Event of Default that remains applicable, the amount of cash in U.S. dollars and/or U.S. Government Obligations on deposit with the Trustee will be sufficient to pay amounts due on the Notes at the time of their Stated Maturity but may not be sufficient to pay amounts due on the Notes at the time of the acceleration resulting from such Event of Default. However, the Company and the Subsidiary Guarantors will remain liable for such payments.

Satisfaction and Discharge

The Indenture will be discharged and will cease to be of further effect as to all Notes issued thereunder, when:

(1) either:

(a) all Notes that have been authenticated, except lost, stolen or destroyed Notes that have been replaced or paid and Notes for whose payment money has been deposited in trust and thereafter repaid to the Company, have been delivered to the Trustee for cancelation; or

(b) all Notes that have not been delivered to the Trustee for cancelation have become due and payable by reason of the mailing of a notice of redemption or otherwise or will become due and payable within one year and the Company or any Subsidiary Guarantor has irrevocably deposited or caused to be deposited with the Trustee (or such other entity designated or appointed (as agent) by it for such purpose) as trust funds in trust solely for the benefit of the holders, cash in U.S. dollars, non-callable Government Securities, or a combination thereof, in amounts as will be sufficient, without consideration of any reinvestment of interest, to pay and discharge the entire Indebtedness on the Notes not delivered to the Trustee for cancelation for principal of, premium on, if any, and interest, if any, on, the Notes to the date of maturity or redemption;

(2) in respect of clause 1(b), no Default or Event of Default has occurred and is continuing on the date of the deposit (other than a Default or Event of Default resulting from the borrowing of funds to be applied to such deposit and any similar deposit relating to other Indebtedness and, in each case, the granting of Liens to secure such borrowings) and the deposit will not result in a breach or violation of, or constitute a default under, any other instrument to which the Company or any Subsidiary Guarantor is a party or by which the Company or any Subsidiary Guarantor is bound (other than with respect to the borrowing of funds to be applied concurrently to make the deposit required to effect such satisfaction and discharge and any similar concurrent deposit relating to other Indebtedness, and in each case the granting of Liens to secure such borrowings);

(3) the Company or any Subsidiary Guarantor has paid or caused to be paid all sums payable by it under the Indenture; and

(4) the Company has delivered irrevocable instructions to the Trustee under the Indenture to apply the deposited money toward the payment of the Notes at maturity or on the redemption date, as the case may be.

In addition, the Company must deliver an Officers' Certificate and an Opinion of Counsel to the Trustee stating that all conditions precedent to satisfaction and discharge have been satisfied.

Amendments and Waiver

Amendments Without Consent of Holders

The Indenture, the Notes, the Subsidiary Guarantees, the Intercreditor Agreement and any other Security Document may be amended, without the consent of any Holder:

(1) to cure any ambiguity, defect, omission or inconsistency in the Indenture, the Notes, Subsidiary Guarantees, the Intercreditor Agreement or any Security Document;

(2) to comply with the provisions described under "—Consolidation, Merger and Sale of Assets";

(3) to evidence and provide for the acceptance of appointment by a successor Trustee or a successor Security Trustee;

(4) to provide for the issuance of Additional Notes in accordance with the limitations set forth in the Indenture;

(5) in any other case where a supplemental indenture to the Indenture is required or permitted to be entered into pursuant to the provisions of the Indenture without the consent of any Holder;

(6) to effect any changes to the Indenture in a manner necessary to comply with the procedures of the relevant clearing system;

(7) to add any Subsidiary Guarantor or any Subsidiary Guarantee or release any Subsidiary Guarantor from any Subsidiary Guarantee as provided or permitted by the terms of the Indenture;

(8) to release any Liens on the Collateral as provided or permitted by the terms of the Indenture;

(9) to conform the text of the Indenture, the Notes, the Subsidiary Guarantees, the Intercreditor Agreement or any other Security Document to any provision of this "Description of the Notes" to the extent that such provision in this "Description of the Notes" was intended to be a verbatim recitation of a provision of the Indenture, the Notes, the Subsidiary Guarantees, the Intercreditor Agreement and any other Security Document;

(10) to add additional collateral to secure the Notes and any Subsidiary Guarantee and any other Indebtedness permitted to be secured by such additional collateral;

(11) to enter into any amendments or modifications to the Security Documents (including the Intercreditor Agreement), and take any other action, in any such case necessary to permit or for the purposes of permitting the creation, registration, perfection and maintenance of Liens on any Collateral or any other assets of the Company or its subsidiaries in accordance with the Indenture;

(12) to make any other change that would provide additional rights or benefits to the Trustee or that does not materially and adversely affect the rights of any Holder.

Amendments With Consent of Holders

Amendments of the Indenture, the Notes, the Subsidiary Guarantees, the Intercreditor Agreement and any Security Document may be made by the Company, the Subsidiary Guarantors and the Trustee with the consent of the Holders of not less than a majority in aggregate principal amount of the outstanding Notes, and the Holders of a majority in principal amount of the outstanding Notes may waive future compliance by the Company and the Subsidiary Guarantors with any provision of the Indenture, the Notes, the Subsidiary Guarantees, the Intercreditor Agreement and any Security Document; *provided*, *however*, that no such modification, amendment or waiver may, without the consent of each Holder affected thereby:

(1) change the Stated Maturity of the principal of, or any installment of interest on, any Note;

(2) reduce the principal amount of, or premium, if any, or interest on, any Note;

(3) change the place, currency or time of payment of principal of, or premium, if any, or interest on, any Note;

(4) impair the contractual right to institute suit for the enforcement of any payment on or after the Stated Maturity (or, in the case of a redemption, on or after the redemption date) of any Note or any Subsidiary Guarantee;

(5) reduce the above-stated percentage of outstanding Notes the consent of whose Holders is necessary to modify or amend the Indenture;

(6) waive a default in the payment of principal of, premium, if any, or interest on the Notes;

(7) reduce the percentage or aggregate principal amount of outstanding Notes the consent of whose Holders is necessary for waiver of compliance with certain provisions of the Indenture or for waiver of certain defaults;

(8) release any Subsidiary Guarantor from its Subsidiary Guarantee, except as provided in the Indenture;

(9) amend, change or modify any Subsidiary Guarantee in a manner that adversely affects the Holders;

(10) reduce the amount payable upon a Change of Control Offer or an Offer to Purchase with the Excess Proceeds from an Asset Sale or change the time or manner by which a Change of Control Offer or an Offer to Purchase with the Excess Proceeds from an Asset Sale may be made or by which the Notes must be repurchased pursuant to a Change of Control Offer or an Offer to Purchase with the Excess Proceeds from an Asset Sale;

(11) change the redemption date or the redemption price of the Notes from that stated under "—Redemption for Taxation Reasons";

(12) amend, change or modify the obligation of the Company or any Subsidiary Guarantor to pay Additional Amounts;

(13) amend, change or modify any provision of the Indenture or the related definitions to contractually subordinate in right of payment the Notes or any Subsidiary Guarantee to any other Indebtedness of the Company or any Subsidiary Guarantor (for the avoidance of doubt, the Notes and the Subsidiary Guarantees will not be contractually subordinated in right of payment to any other Indebtedness of the Company or any Subsidiary Guarantor solely by virtue of being unsecured or by virtue of being secured on a junior priority basis); or

(14) amend, change or modify any obligation of the Company described under "—Redemption of Notes Upon Certain Changes in Capital or Currency Exchange Controls."

In addition, any amendment or supplement to, or waiver of, the Indenture or the Security Documents to release any Collateral or to subordinate the ranking of the Liens securing the Notes except as provided in the Indenture and the Security Documents will require the consent of the holders of at least 75% in aggregate principal amount of Notes then outstanding.

Unclaimed Money

Claims against the Company for the payment of principal of, premium, if any, or interest, on the Notes will become void unless presentation for payment is made as required in the Indenture within a period of six years.

No Personal Liability of Incorporators, Stockholders, Officers, Directors or Employees

No recourse for the payment of the principal of, premium, if any, or interest on any of the Notes or for any claim based thereon or otherwise in respect thereof, and no recourse under or upon any obligation, covenant or agreement of the Company or any Subsidiary Guarantor in the Indenture, or in any of the Notes or the Subsidiary Guarantees or because of the creation of any Indebtedness represented thereby, shall be had against any incorporator, stockholder, officer, director, employee or controlling person of the Company or any Subsidiary Guarantor or of any successor Person thereof. Each Holder, by accepting the Notes, waives and releases all such liability. The waiver and release are part of the consideration for the issuance of the Notes and the Subsidiary Guarantees. Such waiver may not be effective to waive liabilities under relevant laws.

Concerning the Trustee and the Paying Agent

HSBC Bank USA, National Association is to be appointed as trustee, registrar and paying agent under the Indenture with regard to the Notes. Except during the continuance of a Default, the Trustee undertakes to perform such duties and only such duties as are specifically set forth in the Indenture and the Notes (as the case may be), and no implied covenant or obligation shall be read into the Indenture or the Notes (as the case may be) against the Trustee. If an Event of Default has occurred and is continuing, the Trustee will be required to use the same degree of care and skill in its exercise of the rights and powers vested in it under the Indenture or the Notes or the Subsidiary Guarantees (as the case may be) as a prudent person would exercise under the circumstances in the conduct of such person's own affairs.

Pursuant to the terms of the Indenture, the Notes or the Subsidiary Guarantees (as the case may be), the Company and the Subsidiary Guarantors will reimburse the Trustee for all properly incurred expenses.

None of the Trustee, Registrar, or Paying Agent shall be responsible for paying any tax, duty, charges, withholding or other payment or for determining whether such amounts are payable or the amount thereof, and shall not be responsible or liable for any failure by the Company, the Holders or any other person to pay such tax, duty, charges, withholding or other payment in any jurisdiction or to provide any notice or information to the Trustee or Agent that would permit, enable or facilitate the payment of any principal, premium (if any), interest or other amount under or in respect of the Notes without deduction or withholding for or on account of any tax, duty, charge, withholding or other payment imposed by or in any jurisdiction.

The Trustee may conclusively rely without liability on a report, confirmation or certificate or any advice of any lawyers, accountants, financial advisers, financial institution or any other expert, in each case, relevant to the transaction or the matters contained under the Indenture, whether or not their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to conclusively rely as to the truth of the statements and the correctness of the opinions expressed in any such report, confirmation or certificate or advice and the Trustee will not be liable for any action it takes or omits to take in good faith in reliance on such report, confirmation, certificate, or advice. Such report, confirmation or certificate or advice shall be binding on the Trustee and the Holders, and to the extent furnished by the Company to the Trustee, on the Company.

The Trustee may also request an Officer's Certificate or Opinion of Counsel as to the establishment of legal or factual matters before acting or refraining from acting, and the Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on such Officer's Certificate or Opinion of Counsel.

The Trustee shall not be liable for any error of judgment made by it in good faith by a responsible officer or officers of the Trustee. The Trustee shall not be liable for any action taken or omitted to be taken by it in good faith in accordance with the written direction of the Holders of at least 25% in aggregate principal amount of the outstanding Notes relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under the Indenture.

None of the Trustee, Registrar, or Paying Agent shall be responsible for calculating or verifying the calculations of any amount payable under any notice of redemption and shall not be liable to the Holders or any other person for not doing so.

The Trustee, Registrar or Paying Agent shall not be liable for any action taken or omitted to be taken under the Indenture or for any loss or damage resulting from its actions or inaction except where such loss or damage is directly attributable to its own gross negligence or willful misconduct. In no event shall the Trustee be liable for any special, indirect, punitive or consequential loss or damage of any kind whatsoever (including but not limited to loss of profit, goodwill, reputation, business opportunity or anticipated saving), even if the Trustee has been advised as to the likelihood of such loss or damage and regardless of the form of action.

No provision of the Indenture shall require the Trustee, Registrar or Paying Agent to do anything which, in its reasonable opinion, may be illegal or contrary to applicable law, regulation, court order, or the rules or operating procedures of any relevant stock exchange or clearing system; and the Trustee will not be liable to any person if prevented or delayed in performing any of its obligations or discretionary functions under or in connection with the Indenture by reason of any circumstances beyond its control, including, but not limited to, acts of God, flood, war (whether declared or undeclared), terrorism, fire, riot, embargo, government or regulatory authority or action (including any laws, ordinances or regulations), the unavailability of the Federal Reserve Bank wire or facsimile or other wire or communication facility, or the like which delay, restrict or prohibit the providing of the services contemplated by the Indenture.

The Trustee is permitted to engage in other transactions with the Company and its Subsidiaries; *provided* that if it acquires any conflicting interest, it must eliminate such conflict or resign.

The Trustee will be under no obligation to exercise any rights or powers conferred under the Indenture for the benefit of the Holders unless such Holders have instructed the Trustee in writing and have offered to the Trustee indemnity and security and pre-funding satisfactory to the Trustee against any loss, liability or expense that might be incurred by it in compliance with such request or direction, *provided* that, with respect to a request or direction from Holders to enforce or instruct the Security Trustee to enforce the Security Documents against any Person, such security and indemnity shall include, without limitation (and without limiting the Trustee's ability to accept other forms of security or indemnity), prefunding by the requesting Holders of an account in the name of the Trustee in such amounts as the Trustee determines in its sole discretion. The foregoing prefunding requirements shall be in addition, and subject in all respects, to any other requirements of the Trustee regarding the indemnity or security to be provided to it in connection with any such enforcement request, including requirements regarding the creditworthiness of the requesting Holders.

Notwithstanding anything to the contrary herein, whenever the Trustee is required or entitled by the terms of the Indenture, the Notes, the Subsidiary Guarantees, and the Security Documents to exercise any discretion or power, take any action of any nature, make any decision or give any direction or certification, the Trustee is entitled, prior to exercising any such discretion or power, taking any such action, making any such decision, or giving any such direction or certification, to solicit Holders for direction, and the Trustee is not responsible for any loss or liability incurred by any person as a result of any delay in it exercising such discretion or power, taking such action, making such decision, or giving such direction or certification where the Trustee is seeking such directions or the non-exercise of such discretion or power, or not taking any such action or making any such decision or giving any such direction or certification in the absence of any such directions from Holders. In any event, and as provided elsewhere herein, even where the Trustee has been directed by the Holders, the Trustee shall not be required to exercise any such discretion, power or take any such action as aforesaid unless it has been indemnified and/or secured and/or prefunded to its satisfaction.

Book-Entry; Delivery and Form

The certificates representing the Notes will be issued in fully registered form without interest coupons. Notes sold in offshore transactions in reliance on Regulation S under the Securities Act will initially be represented by one or more permanent global notes in definitive, fully registered form without interest coupons (each a "Regulation S Global Note") and will be deposited with HSBC Bank USA, National Association, as custodian for, and registered in the name of a nominee of, DTC for the accounts of Euroclear and Clearstream.

Notes sold in reliance on Rule 144A will be represented by one or more permanent global notes in definitive, fully registered form without interest coupons (each a "Restricted Global Note;" and together with the Regulation S Global Notes, the "Global Notes") and will be deposited with HSBC Bank USA, National Association, as custodian for, and registered in the name of a nominee of, DTC.

Each Global Note (and any Notes issued for exchange therefor) will be subject to certain restrictions on transfer set forth therein as described under "Transfer Restrictions."

Ownership of beneficial interests in a Global Note will be limited to persons who have accounts with DTC ("participants") or persons who hold interests through participants. Ownership of beneficial interests in a Global Note will be shown on, and the transfer of that ownership will be effected only through, records maintained by DTC or its nominee (with respect to interests of participants) and the records of participants (with respect to interests of persons other than participants). Qualified institutional buyers may hold their interests in a Restricted

Global Note directly through DTC if they are participants in such system, or indirectly through organizations which are participants in such system.

Investors may hold their interests in a Regulation S Global Note directly through Euroclear or Clearstream, if they are participants in such systems, or indirectly through organizations that are participants in such system. Euroclear and Clearstream will hold interests in the Regulation S Global Notes on behalf of their participants through DTC.

So long as DTC, or its nominee, is the registered owner or holder of a Global Note, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by such Global Note for all purposes under the Indenture and the Notes. No beneficial owner of an interest in a Global Note will be able to transfer that interest except in accordance with DTC's applicable procedures, in addition to those provided for under the Indenture and, if applicable, those of Euroclear and Clearstream.

Payments of the principal of, and interest on, a Global Note will be made to DTC or its nominee, as the case may be, as the registered owner thereof. Neither the Issuer, any of the Guarantors, the Trustee, the Registrar nor the Principal Paying will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in a Global Note or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

The Issuer expects that DTC or its nominee, upon receipt of any payment of principal or interest in respect of a Global Note, will credit participants' accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of such Global Note as shown on the records of DTC or its nominee. The Issuer also expects that payments by participants to owners of beneficial interests in such Global Note held through such participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers registered in the names of nominees for such customers. Such payments will be the responsibility of such participants.

Transfers between participants in DTC will be effected in the ordinary way in accordance with DTC rules and will be settled in same-day funds. Transfers between participants in Euroclear and Clearstream will be effected in the ordinary way in accordance with their respective rules and operating procedures.

Cross-market transfers between DTC, on the one hand, and directly or indirectly through Euroclear or Clearstream participants, on the other, will be effected through DTC, in accordance with DTC rules on behalf of Euroclear or Clearstream, as the case may be, by its respective depositary; however, such cross-market transactions will require delivery of instructions to Euroclear or Clearstream, as the case may be, by the counterparty in such system in accordance with its rules and procedures and within its established deadlines. Euroclear or Clearstream, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its respective depositary to take action to effect final settlement on its behalf by delivering or receiving beneficial interests in the relevant global note in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Clearstream participants and Euroclear participants may not deliver instructions directly to the depositaries for Clearstream or Euroclear. Because of time zone differences, the securities account of a Euroclear participant or Clearstream participant purchasing a beneficial interest in a global note from a participant will be credited during the securities settlement processing day immediately following the DTC settlement date and such credit of any transactions in beneficial interests in such global note settled during such processing will be reported to the relevant Euroclear participant or Clearstream participant on such Business Day. Cash received in Euroclear or Clearstream as a result of sales of beneficial interests in a global note by or through a Euroclear participant or Clearstream participant to a participant will be received with value on the DTC settlement date but will be available in the relevant Euroclear or Clearstream cash account only as of the Business Day following settlement in DTC.

The Issuer expects that DTC will take any action permitted to be taken by a Holder (including the presentation of Notes for exchange as described below) only at the direction of one or more participants to whose account the DTC interests in a Global Note are credited and only in respect of such portion of the aggregate principal amount of Notes as to which such participant or participants has or have given such direction. However, if there is an Event of Default under the Notes, DTC will exchange the applicable Global Note for Certificated Notes, which it will distribute to its participants and which may be legended as set forth under the heading "Transfer Restrictions."

Information Concerning DTC

We understand as follows with respect to DTC:

DTC is a limited-purpose trust company created to hold securities for its participating organizations (collectively, the "Participants") and to facilitate the clearance and settlement of transactions in those securities between the Participants through electronic book-entry changes in accounts of its Participants. The Participants include securities brokers and dealers (including the initial purchasers), banks, trust companies, clearing corporations and certain other organizations. Access to DTC's system is also available to other entities such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Participant, either directly or indirectly (collectively, the "Indirect Participants"). Persons who are not Participants may beneficially own securities held by or on behalf of DTC only through the Participants or the Indirect Participants. The ownership interests in, and transfers of ownership interests in, each security held by or on behalf of DTC are recorded on the records of the Participants and Indirect Participants.

Although the foregoing sets out the procedures of DTC in order to facilitate the original issue and subsequent transfers of interests in the Notes among participants of DTC, it is under any obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time.

None of the Company, the Trustee or any of their respective agents will have responsibility for the performance of DTC or its participants of their respective obligations under the rules and procedures governing their operations, including, without limitation, rules and procedures relating to book-entry interests.

Information Concerning Euroclear and Clearstream

We understand as follows with respect to Euroclear and Clearstream:

Euroclear and Clearstream hold securities for participating organizations and facilitate the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants. Euroclear and Clearstream provide to their participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream interface with domestic securities markets. Euroclear and Clearstream participants are financial institutions, such as underwriters, securities brokers and dealers, banks and trust companies, and certain other organizations. Indirect access to Euroclear or Clearstream is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodian relationship with a Euroclear or Clearstream participant, either directly or indirectly.

Although the foregoing sets out the procedures of Euroclear and Clearstream in order to facilitate the original issue and subsequent transfers of interests in the Notes among participants of Euroclear and Clearstream, neither Euroclear nor Clearstream is under any obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time.

None of the Company, the Trustee or any of their respective agents will have responsibility for the performance of Euroclear or Clearstream or their respective participants of their respective obligations under the rules and procedures governing their operations, including, without limitation, rules and procedures relating to book-entry interests.

Notices

All notices or demands required or permitted by the terms of the Notes or the Indenture to be given to or by the Holders are required to be in writing and may be given or served by being sent by prepaid courier or by being deposited, first-class postage prepaid (if intended for the Company, any Subsidiary Guarantor or the Trustee) addressed to the Company, such Subsidiary Guarantor or the Trustee, as the case may be, at the corporate trust office of the Trustee and, if intended for any Holder, addressed to such Holder at such Holder's last address as it appears in the Note register (or otherwise delivered to such Holders in accordance with applicable DTC, Euroclear or Clearstream procedures).

Any such notice or demand will be deemed to have been sufficiently given or served when so sent or deposited and, if to the Holders, when delivered in accordance with the applicable rules and procedures of the relevant clearing system. Any such notice shall be deemed to have been delivered on the day such notice is delivered to the relevant clearing system or if by mail, when so sent or deposited.

Consent to Jurisdiction; Service of Process

The Company and each Subsidiary Guarantor will irrevocably (1) submit to the non-exclusive jurisdiction of any U.S. federal or New York state court located in the Borough of Manhattan, The City of New York explicitly and exclusively in connection with any suit, action or proceeding arising out of, or relating to, the Notes, any Subsidiary Guarantee, the Indenture or any transaction contemplated thereby; and (2) designate and appoint Cogency Global Inc. for receipt of service of process in any such suit, action or proceeding. By executing the Indenture and the Notes, the Company and each Subsidiary Guarantor will not be submitting to the jurisdiction of any court with respect to any legal proceeding of any kind whatsoever, regardless of nature, substance or form, other than suits, actions or proceedings arising out of or relating to the Notes, any Subsidiary Guarantee or the Indenture. The Indenture will include a provision whereby each party thereto waives the right to trial by jury.

Governing Law

Each of the Notes, each of the Subsidiary Guarantees and the Indenture provides that such instrument will be governed by, and construed in accordance with, the laws of the State of New York without giving effect to applicable principles of conflicts of law to the extent that the application of the law of another jurisdiction would be required thereby. The Security Documents relating to the Collateral will be governed by the laws of the Republic of India.

Definitions

Set forth below are defined terms used in the covenants and other provisions of the Indenture. Reference is made to the Indenture for other capitalized terms used in this "Description of the Notes" for which no definition is provided.

"**2024 Notes**" means the notes issued on April 10, 2019 pursuant to an indenture, dated such date, between the Company and the 2024 Notes Trustee.

"**2024 Notes Trustee**" means HSBC Bank USA, National Association, in its capacity as trustee under the indenture pursuant to which the 2024 Notes were issued.

"**2027 Notes**" means the notes issued on October 27, 2017 pursuant to an indenture, dated such date, between the Company and the 2027 Notes Trustee.

"**2027 Notes Trustee**" means HSBC Bank USA, National Association, in its capacity as trustee under the indenture pursuant to which the 2027 Notes were issued.

"**Account Bank**" means ICICI Bank Limited, as account bank under the Trust and Retention Account Agreement, or any account bank substituted thereto in accordance with the Trust and Retention Account Agreement and the Security Documents.

"**Acquired Indebtedness**" means Indebtedness of a Person existing at the time such Person becomes a Restricted Subsidiary or Indebtedness of a Restricted Subsidiary assumed in connection with an Asset Acquisition by such Restricted Subsidiary whether or not Incurred in connection with, or in contemplation of, the Person merging with or into or becoming a Restricted Subsidiary.

"**Affiliate**" means, with respect to any Person, any other Person (1) directly or indirectly controlling, controlled by, or under direct or indirect common control with, such Person; (2) who is a director or officer of such Person or any Subsidiary of such Person or of any Person referred to in clause (1) of this definition; or (3) who is a spouse, child or step child, parent or step parent, brother, sister, step brother or step sister, parent-in-law, grandchild, grandparent, uncle, aunt, nephew or niece of a Person described in clause (1) or (2). For purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise. When used in the covenant described under "Limitation on Transactions with Shareholders and Affiliates," an Affiliate of the Company shall not include the Government of India or Persons controlled by or under common control with the Government of India.

"**Airport**" means the Rajiv Gandhi International Airport located on the land leased by the Company from the State Government pursuant to the Land Lease Agreement.

"**Asset Acquisition**" means (1) an investment by the Company or any Restricted Subsidiary in any other Person pursuant to which such Person shall become a Restricted Subsidiary or shall be merged into or consolidated with the Company or any Restricted Subsidiary; or (2) an acquisition by the Company or any Restricted Subsidiary of the property and assets of any Person other than the Company or any Restricted Subsidiary that constitute substantially all of a division or line of business of such Person.

"**Asset Disposition**" means the sale or other disposition by the Company or any Restricted Subsidiary (other than to the Company or another Restricted Subsidiary) of (1) all or substantially all of the Capital Stock of any Restricted Subsidiary; or (2) all or substantially all of the assets that constitute a division or line of business of the Company or any Restricted Subsidiary.

"**Asset Sale**" means any sale, transfer or other disposition (including by way of merger, consolidation or Sale and Leaseback Transaction) of any of its property or assets (including any sale of Capital Stock of a Subsidiary or issuance of Capital Stock of a Restricted Subsidiary) in one transaction or a series of related transactions by the Company or any Restricted Subsidiary to any Person; *provided* that "Asset Sale" shall not include:

(1) sales or other dispositions of inventory, receivables and other assets in the ordinary course of business;

(2) sales, transfers or other dispositions of assets constituting a Permitted Investment or Restricted Payment permitted to be made by the covenant described under "—Certain Covenants—Limitation on Restricted Payments";

(3) sales, transfers or other dispositions of assets or issuances or sales of Capital Stock of the Company or any Restricted Subsidiary with a Fair Market Value not in excess of US$2.0 million (or the Dollar Equivalent thereof) in any transaction or series of related transactions;

(4) any sale, conveyance, transfer or other disposition of property or assets, or the issuance of securities, by a Restricted Subsidiary to the Company or by the Company or a Restricted Subsidiary to a Wholly Owned Restricted Subsidiary which is otherwise permitted under the Indenture;

(5) any sale, transfer, assignment or other disposition of any property or equipment that has become damaged, worn out, obsolete or otherwise unsuitable for use in connection with the business of the Company or the Restricted Subsidiaries;

(6) any transfer, assignment or other disposition deemed to occur in connection with creating or granting any Lien permitted by the Indenture;

(7) a transaction governed by the covenant described under "—Consolidation, Merger and Sale of Assets" or "—Repurchase of Notes Upon a Change of Control Triggering Event";

(8) the sale or other disposition of cash or Temporary Cash Investments;

(9) the lease, license, assignment or sublease of any real or personal property in connection with the Permitted Business;

(10) any transfer, termination, unwinding or other disposition of Hedging Obligations in accordance with the terms thereof;

(11) Sale and Leaseback Transactions with respect to any property or assets within 180 days of the acquisition of such property or assets;

(12) any surrender, expiration or waiver of contract rights or settlement, release, recovery on or surrender of contract, tort or other claims in the ordinary course of business;

(13) licenses, sub-licenses, grants, leases and sub-leases (as lessee, sublessee, lessor, sublessor, licensee, sublicensee, licensor, sublicensor or grantee) of software, patents, trademarks, know-how or any other intellectual property, general intangibles or other property (including real or tangible property) in the ordinary course of business;

(14) transfers resulting from any casualty or condemnation of property;

(15) dispositions of receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements;

(16) any disposition of Capital Stock, Indebtedness or other securities of an Unrestricted Subsidiary; or

(17) the issuance of Capital Stock of a Restricted Subsidiary upon conversion of any Indebtedness of any such Restricted Subsidiary following a default on such Indebtedness by such Restricted Subsidiary.

"**Attributable Indebtedness**" means, in respect of a Sale and Leaseback Transaction, the present value, discounted at the interest rate implicit in the Sale and Leaseback Transaction, of the total obligations of the lessee for rental payments during the remaining term of the lease in the Sale and Leaseback Transaction.

"**Average Life**" means, at any date of determination with respect to any Indebtedness, the quotient obtained by dividing (1) the sum of the products of (a) the number of years from such date of determination to the dates of each successive scheduled principal payment of such Indebtedness and (b) the amount of such principal payment by (2) the sum of all such principal payments.

"**Board of Directors**" means the board of directors elected or appointed by the stockholders of the Company to manage the business of the Company and, to the extent permitted under the Concession Agreement, any committee of such board duly authorized to take the action purported to be taken by such committee.

"**Board Resolution**" means any resolution of the Board of Directors or of the sub-committee of the Board of Directors ("Board Sub-Committee") taking an action which it is authorized to take and adopted at a meeting duly called and held at which a quorum of disinterested members (if so required) was present and acting throughout or adopted by written resolution executed by every member of the Board of Directors or the Board Sub-Committee.

"**Business Day**" means any day which is not a Saturday, Sunday, legal holiday or other day on which banking institutions in The City of New York or Hyderabad, India (or in any other place in which payments on the Notes are to be made) are authorized or required by law or governmental regulation to close.

"**Capitalized Lease**" means, with respect to any Person, any lease of any property (whether real, personal or mixed) which, in conformity with GAAP, is required to be capitalized on the balance sheet of such Person other than Reclassified Lease Obligations.

"**Capitalized Lease Obligations**" means the discounted present value of the rental obligations under a Capitalized Lease.

"**Capital Stock**" means, with respect to any Person, any and all shares, interests, participations or other equivalents (however designated, whether voting or non-voting) in equity of such Person, whether outstanding on the Original Issue Date or issued thereafter, including, without limitation, all Common Stock and Preferred Stock, but excluding debt securities convertible into such equity.

"**Change of Control**" means the occurrence of one or more of the following events:

(1) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Company and its Restricted Subsidiaries, taken as a whole, to any "person" within the meaning Section 13(d) of the Exchange Act, other than to one or more Permitted Holders;

(2) the Company consolidates with, or merges with or into, any Person (other than one or more Permitted Holders), or any Person consolidates with, or merges with or into, the Company, other than any such transaction where holders of a majority of the Voting Stock of the Company, immediately prior to such transaction, hold securities of the surviving or transferee Person, immediately after such transaction,

that represent at least a majority of the Voting Stock of such surviving or transferee Person and in substantially the same proportion as before such transaction;

(3) (a) the Permitted Holders are the beneficial owners (as such term is used in Rule 13d-3 of the Exchange Act) of less than 26% of the total voting power of the Voting Stock of the Company or (b) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act), is or becomes the "beneficial owner," directly or indirectly, of total voting power of the Voting Stock of the Company greater than such total voting power held beneficially by the Permitted Holders; or

(4) the adoption of a plan relating to the liquidation or dissolution of the Company.

"**Change of Control Triggering Event**" means the occurrence of a Change of Control and, in the case of paragraph (3) of the definition of Change of Control, a Rating Decline.

"**Clearstream**" means Clearstream Banking, société anonyme, Luxembourg.

"**CNS-ATM Agreement**" means the agreement for the provision of CNS/ATM facilities and services between the Airports Authority of India and the Company dated August 11, 2005, as amended from time to time.

"**Commodity Hedging Agreement**" means any spot, forward or option commodity price protection agreements or other similar agreement or arrangement designed to manage the costs of commodities or to protect against fluctuations in commodity prices.

"**Common Stock**" means, with respect to any Person, any and all shares, interests or other participations in, and other equivalents (however designated and whether voting or non-voting) of such Person's common stock or ordinary shares, whether or not outstanding at the date of the Indenture, and includes, without limitation, all series and classes of such common stock or ordinary shares.

"**Concession Agreement**" means the Concession Agreement for the Development, Construction, Operation and Maintenance of the Hyderabad International Airport between the Company and the Ministry of Civil Aviation, Government of India dated December 20, 2004, as amended from time to time.

"**Consolidated EBITDA**" means, with respect to any Person for any period, Consolidated Net Income of such Person for such period, plus (or, with respect to a gain, minus), to the extent such amount was deducted (or, in the case of a gain, included) in calculating such Consolidated Net Income:

(1) Consolidated Fixed Charges;

(2) provision for taxes based on income, profits or capital, including, without limitation, state, franchise, property and similar taxes and withholding taxes (including penalties and interest related to such taxes or arising from tax examinations);

(3) depreciation expense, amortization expense (excluding any depreciation and amortization expense with respect to Reclassified Lease Obligations) and all other non-cash items (including the amortization of intangible assets, deferred financing fees and amortization of unrecognized prior service costs) reducing Consolidated Net Income (other than non-cash items in a period which reflect cash expenses paid or to be paid in another period);

(4) any foreign currency translation losses (including losses related to currency remeasurements of Indebtedness) included in non-operating income and any foreign exchange losses resulting from the

impact of foreign currency changes on the valuation of assets or liabilities on the balance sheet of the Company and its Restricted Subsidiaries;

(5) any losses attributable to termination of employee pension plans and other post-employment benefits;

(6) any gains or losses arising from the acquisition of any securities or extinguishment, repurchase, cancelation or assignment of Indebtedness;

(7) any unrealized gains or loss in respect of Hedging Obligations or other derivative instruments or forward contracts or any ineffectiveness recognized in earnings related to a qualifying hedge transaction or the fair value of changes therein recognized in earnings for derivatives that do not qualify as hedge transactions, in each case, in respect of Hedging Obligations;

(8) all proceeds actually received of business interruption insurance policies to the extent the related loss is not otherwise added back pursuant to this definition and to the extent that such reimbursement is not otherwise reflected in Consolidated Net Income; and

(9) expenses incurred by the Company or any Subsidiary to the extent reimbursed by a third-party and to the extent that such reimbursement is not otherwise reflected in Consolidated Net Income,

all as determined on a consolidated basis for such Person and its Restricted Subsidiaries in conformity with GAAP; *provided* that (i) if any Restricted Subsidiary is not a Wholly Owned Restricted Subsidiary, Consolidated EBITDA shall be reduced (to the extent not otherwise reduced in accordance with GAAP) by an amount equal to (A) the amount of the Consolidated Net Income attributable to such Restricted Subsidiary multiplied by (B) the percentage ownership interest in the income of such Restricted Subsidiary not owned on the last day of such period by the Company or any of the Restricted Subsidiaries; and (ii) notwithstanding the preceding, the provision for taxes based on the income or profits of, and the depreciation and amortization and other non-cash expenses of, a Restricted Subsidiary, that is not a Subsidiary Guarantor, of a Person will be added to the Consolidated Net Income to compute Consolidated EBITDA of such person.

"**Consolidated Fixed Charges**" means, with respect to any Person for any period, the sum (without duplication) of (1) Consolidated Interest Expense for such period and (2) all cash and non-cash dividends paid, declared, accrued or accumulated during such period on any Disqualified Stock or Preferred Stock of such Person or any of its Restricted Subsidiaries, except for dividends payable in the Company's Capital Stock (other than Disqualified Stock).

"**Consolidated Interest Expense**" means, with respect to any Person for any period, the amount that would be included in gross interest expense on a consolidated income statement prepared in accordance with GAAP for such period of such Person and its Restricted Subsidiaries, plus, to the extent not included therein, and to the extent incurred, accrued or payable during such period by such Person and its Restricted Subsidiaries, without duplication, (1) interest expense attributable to Capitalized Lease Obligations, (2) amortization of debt issuance costs and original issue discount expense and non-cash interest payments in respect of any Indebtedness, (3) the interest portion of any deferred payment obligation, (4) all commissions, discounts and other fees and charges with respect to letters of credit or similar instruments issued for financing purposes or in respect of any Indebtedness, (5) the net costs associated with Hedging Obligations (including the amortization of fees), (6) interest accruing on Indebtedness of any other Person that is Guaranteed by, or secured by a Lien on any asset of, such Person or any of its Restricted Subsidiaries and (7) any capitalized interest; *provided* that (i) interest expense attributable to interest on any Indebtedness bearing a floating interest rate will be computed on a pro forma basis as if the rate in effect on the date of determination had been the applicable rate for the entire relevant

period and (ii) all interest, accretion, amortization or unwinding of discounts with respect to Reclassified Lease Obligations shall be excluded from Consolidated Interest Expense.

"**Consolidated Net Income**" means, with respect to any Person for any period, the aggregate of the net income (or loss) of such Person and its Restricted Subsidiaries for such period, on a consolidated basis, determined in conformity with GAAP; *provided* that the following items shall be excluded in computing Consolidated Net Income (without duplication):

(1) the net income (or loss) of any Person that is not a Restricted Subsidiary or that is accounted for by the equity method of accounting except that, subject to the exclusion contained in clause (5) below, the Company's equity in the net income of any such Person for such period shall be included in such Consolidated Net Income up to the aggregate amount of cash actually distributed by such Person during such period to the Company or a Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend or other distribution paid to a Restricted Subsidiary, to the limitations contained in clause (3) below);

(2) the net income (or loss) of any Person accrued prior to the date it becomes a Restricted Subsidiary or is merged into or consolidated with the Company or any of the Restricted Subsidiaries or all or substantially all of the property and assets of such Person are acquired by the Company or any of the Restricted Subsidiaries;

(3) the net income (but not loss) of any Restricted Subsidiary to the extent that the declaration or payment of dividends or similar distributions by such Restricted Subsidiary of such net income is not at the time permitted by the operation of the terms of its charter, articles of association or other constitutive document or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to such Restricted Subsidiary;

(4) the cumulative effect of a change in accounting principles;

(5) any net after tax gains (or losses) realized on the sale or other disposition of (a) any property or asset of the Company or any Restricted Subsidiary that is not sold in the ordinary course of its business or (b) any Capital Stock of any Person (including any gains (or losses) by the Company or a Restricted Subsidiary realized on sales of Capital Stock of the Company or of any Restricted Subsidiary);

(6) any translation gains and losses due solely to fluctuations in currency values and related tax effects;

(7) any extraordinary or exceptional gains or losses, charges or expenses;

(8) non-cash expenses attributable to movements in the mark-to-market valuation of Hedging Obligations; and

(9) amortization of or charges or expenses relating to deferred financing fees, debt issuance costs, commissions, fees and expenses, expensing of any bridge, commitment or other financing fees;

provided that Consolidated Net Income shall without duplication (x) exclude interest, accretion, depreciation, amortization or unwinding of discounts with respect to Reclassified Lease Obligations to the extent otherwise included therein but only to the extent such items would not have been included in the calculation of Consolidated Net Income under GAAP prior to the implementation of Ind-AS 116 and (y) subject to the exclusions set forth in (1) to (8) above and only to the extent the following items would have been included in the

calculation of Consolidated Net Income under GAAP prior to the implementation of Ind-AS 116, include expenses for lease payments (net of any reversals or credits thereto) in respect of Reclassified Lease Obligations relating to such period.

"**Consolidated Net Worth**" means, at any date of determination, stockholders' equity as set forth on the most recently available quarterly or annual consolidated balance sheet of the Company and the Restricted Subsidiaries, plus, to the extent not included, any Preferred Stock of the Company, less any amounts attributable to Disqualified Stock or any equity security convertible into or exchangeable for Indebtedness, the cost of treasury stock and the principal amount of any promissory notes receivable from the sale of the Capital Stock of the Company or any of the Restricted Subsidiaries, each item to be determined in conformity with GAAP.

"**Credit Facilities**" means one or more debt facilities or other financing arrangements (excluding working capital facilities but including, without limitation, commercial paper facilities or indentures) providing for revolving credit loans, term loans, letters of credit or other long-term indebtedness, including any notes, mortgages, guarantees, collateral documents, instruments and agreements executed in connection therewith.

"**Currency Hedging Agreement**" means any currency swap agreement, currency cap agreement, currency floor agreement, currency futures agreement, commodity option agreement or any other similar agreement or arrangement which may consist of one or more of the foregoing agreements, designed to manage, or protect against, fluctuations in currency prices currencies and currency risk.

"**Declaration**" means the Declaration in relation to mortgage by deposit of title deeds over immovable properties at Shamshabad, Telangana made by an authorized officer of the Company in favor of the Security Trustee.

"**Default**" means any event that is, or after notice or passage of time or both would be, an Event of Default.

"**Direct Agreement**" means the agreement to be entered into between the Company, MoCA and the Security Trustee or an amendment to or amendment and restatement of the direct agreement dated November 29, 2005 entered into between the Company, Security Trustee and MoCA, relating to the creation of security over the assets of the Company and the enforcement of such security and which includes the Trustee on behalf of Holders of the Notes as a Lender and includes any amendment or replacement thereof.

"**Disqualified Stock**" means any class or series of Capital Stock of any Person that by its terms or otherwise is (1) required to be redeemed prior to the date that is 183 days after the Stated Maturity of the Notes, (2) redeemable at the option of the holder of such class or series of Capital Stock at any time prior to the date that is 183 days after the Stated Maturity of the Notes or (3) convertible into or exchangeable for Capital Stock referred to in clause (1) or (2) above or Indebtedness having a scheduled maturity prior to the date that is 183 days after the Stated Maturity of the Notes; *provided* that any Capital Stock that would not constitute Disqualified Stock but for provisions thereof giving holders thereof the right to require such Person to repurchase or redeem such Capital Stock upon the occurrence of an "asset sale" or "change of control" occurring prior to the date that is 183 days after the Stated Maturity of the Notes shall not constitute Disqualified Stock if the "asset sale" or "change of control" provisions applicable to such Capital Stock are no more favorable to the holders of such Capital Stock than the provisions contained in the "—Limitation on Asset Sales" and "—Repurchase of Notes upon a Change of Control Triggering Event" covenants and such Capital Stock specifically provides that such Person will not repurchase or redeem any such stock pursuant to such provision prior to the Company's repurchase of such Notes as are required to be repurchased pursuant to the covenants described under "—Certain Covenants—Limitation on Asset Sales" and "—Repurchase of Notes upon a Change of Control Triggering Event."

"**DTC**" means the Depository Trust Company and its successors.

"**Dollar Equivalent**" means, with respect to any monetary amount in a currency other than U.S. dollars, at any time for the determination thereof, the amount of U.S. dollars obtained by converting such foreign currency involved in such computation into U.S. dollars at the noon buying rate for U.S. dollars in New York City for cable transfers as certified for customs purposes by the Federal Reserve Bank of New York on the date of determination.

"**Equity Offering**" means any underwritten public offering of Common Stock of the Company after the Original Issue Date to any Person other than to an Affiliate of the Company or any Permitted Holder; *provided* that the aggregate gross cash proceeds received by the Company from such transaction will be no less than US$20.0 million (or the Dollar Equivalent thereof).

"**Euroclear**" means Euroclear Bank, S.A./N.V., as operator of the Euroclear system.

"**Exchange Act**" means the United States Securities Exchange Act of 1934, as amended.

"**Excluded Accounts**" means any (1) debt service account required under the terms of any Senior Indebtedness, (2) debt service reserve account required under the terms of any Senior Indebtedness, (3) escrow account required under the terms of any Senior Indebtedness, (4) interest reserve account required under the terms of any Senior Indebtedness, (5) accounts relating to passenger service fees (security component) and airport development fees (and similar pass through revenue and receipts), (6) accounts established solely for the purpose of holding the deferred concession fee payable by the Company commencing in June 2018, (7) any accounts over which a Lien is not permitted under applicable law and (8) accounts holding cash or other property arising in connection with the defeasance, discharge or redemption of Indebtedness, including any redemption reserves, with an aggregate balance equal to or less than the amount of Indebtedness outstanding thereunder.

"**Existing Working Capital Facilities**" means the various working capital facilities availed by the Company pursuant to the following agreements: (a) the working capital facility agreement dated December 14, 2020 executed between the Company and ICICI Bank Limited and (b) the working capital facility agreement dated December 23, 2020 executed between the Company and Aditya Birla Finance Limited.

"**Fair Market Value**" means the price that would be paid in an arm's-length transaction between an informed and willing seller under no compulsion to sell and an informed and willing buyer under no compulsion to buy, as determined in good faith by the Board of Directors, whose determination shall be conclusive if evidenced by a Board Resolution.

"**Fitch**" means Fitch Ratings Ltd. or any successor to the rating agency business thereof.

"**Fixed Charge Coverage Ratio**" means, on any Transaction Date, the ratio of (1) the aggregate amount of Consolidated EBITDA for the then most recent four fiscal quarters prior to such Transaction Date for which consolidated financial statements of the Company (which the Company shall use its reasonable best efforts to compile in a timely manner) are available (which may be internal consolidated financial statements) (the "Four Quarter Period") to (2) the aggregate Consolidated Fixed Charges during such Four Quarter Period. In making the foregoing calculation:

(1) pro forma effect shall be given to any Indebtedness Incurred, repaid or redeemed during the period (the "Reference Period") commencing on and including the first day of the Four Quarter Period and ending on and including the Transaction Date (other than Indebtedness Incurred or repaid under a revolving

credit or similar arrangement (or under any predecessor revolving credit or similar arrangement) in effect on the last day of such Four Quarter Period), in each case as if such Indebtedness had been Incurred, repaid or redeemed on the first day of such Reference Period; *provided* that, in the event of any such repayment or redemption, Consolidated EBITDA for such period shall be calculated as if the Company or such Restricted Subsidiary had not earned any interest income actually earned during such period in respect of the funds used to repay or redeem such Indebtedness;

(2) Consolidated Interest Expense attributable to interest on any Indebtedness (whether existing or being Incurred) computed on a *pro forma* basis and bearing a floating interest rate will be computed as if the rate in effect on the Transaction Date (taking into account any Interest Rate Hedging Agreement applicable to such Indebtedness if such Interest Rate Hedging Agreement has a remaining term in excess of 12 months or, if shorter, at least equal to the remaining term of such Indebtedness) had been the applicable rate for the entire period;

(3) *pro forma* effect will be given to the creation, designation or redesignation of Restricted Subsidiaries and Unrestricted Subsidiaries as if such creation, designation or redesignation had occurred on the first day of such Reference Period;

(4) *pro forma* effect will be given to Asset Dispositions and Asset Acquisitions (including giving *pro forma* effect to the application of proceeds of any Asset Disposition) that occur during such Reference Period as if they had occurred and such proceeds had been applied on the first day of such Reference Period; and

(5) *pro forma* effect will be given to asset dispositions and asset acquisitions (including giving *pro forma* effect to the application of proceeds of any asset disposition) that have been made by any Person that has become a Restricted Subsidiary or has been merged with or into the Company or any Restricted Subsidiary during such Reference Period and that would have constituted Asset Dispositions or Asset Acquisitions had such transactions occurred when such Person was a Restricted Subsidiary as if such asset dispositions or asset acquisitions were Asset Dispositions or Asset Acquisitions that occurred on the first day of such Reference Period;

provided that to the extent that clause (4) or (5) of this sentence requires that pro forma effect be given to an Asset Acquisition or Asset Disposition (or asset acquisition or asset disposition), such pro forma calculation will be based upon the four full fiscal quarters immediately preceding the Transaction Date of the Person, or division or line of business of the Person, that is acquired or disposed for which financial information is available.

"**GAAP**" means generally accepted accounting principles in India as in effect from time to time. All ratios and computations contained or referred to in the Indenture shall be computed in conformity with GAAP applied on a consistent basis.

"**Global Certificates**" means the Restricted Global Certificates and the Unrestricted Global Certificates.

"**Government Securities**" means direct obligations of, or obligations Guaranteed by, the United States of America, and the payment for which the United States of America pledges its full faith and credit.

"**Guarantee**" means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness or other obligation of any other Person and, without limiting the generality of the foregoing, any obligation, direct or indirect, contingent or otherwise, of such Person (1) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation of such other Person (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets,

goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise) or (2) entered into for purposes of assuring in any other manner the obligee of such Indebtedness or other obligation of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part); *provided* that the term "Guarantee" shall not include endorsements for collection or deposit in the ordinary course of business. The term "Guarantee" used as a verb has a corresponding meaning.

"**Hedging Obligations**" of any Person means the obligations of such Person pursuant to any Commodity Hedging Agreement, Currency Hedging Agreement or Interest Rate Hedging Agreement.

"**Holder**" means the Person in whose name a Note is registered in the Note register.

"**Incur**" means, with respect to any Indebtedness or Capital Stock, to incur, create, issue, assume, guarantee or otherwise become liable for or with respect to, or become responsible for, the payment of, contingently or otherwise, such Indebtedness or Capital Stock; *provided* that (1) any Indebtedness and Capital Stock of a Person existing at the time such Person becomes a Restricted Subsidiary will be deemed to be Incurred by such Restricted Subsidiary at the time it becomes a Restricted Subsidiary and (2) the accretion of original issue discount, the accrual of interest, the accrual of dividends, the payment of interest in the form of additional Indebtedness and the payment of dividends on Preferred Stock in the form of additional shares of Preferred Stock (to the extent provided for when the Indebtedness or Preferred Stock on which such interest or dividend is paid was originally issued) will not be considered an Incurrence of Indebtedness. The terms "Incurrence," "Incurred" and "Incurring" have meanings correlative with the foregoing.

"**Indebtedness**" means, with respect to any Person at any date of determination (without duplication):

(1) all indebtedness of such Person for borrowed money;

(2) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;

(3) all obligations of such Person in respect of letters of credit, bankers' acceptances or other similar instruments;

(4) all obligations of such Person to pay the deferred and unpaid purchase price of property or services, except Trade Payables;

(5) all Capitalized Lease Obligations and Attributable Indebtedness;

(6) all Indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person (other than Indebtedness of a JV Company that is secured by the Company or a Restricted Subsidiary solely with the Capital Stock in such JV Company held by the Company or Restricted Subsidiary); *provided* that the amount of such Indebtedness shall be the lesser of (a) the Fair Market Value of such asset at such date of determination and (b) the amount of such Indebtedness;

(7) all Indebtedness of other Persons Guaranteed by such Person to the extent such Indebtedness is Guaranteed by such Person;

(8) to the extent not otherwise included in this definition, Hedging Obligations;

(9) all Disqualified Stock issued by such Person valued at the greater of its voluntary or involuntary liquidation preference and its maximum fixed repurchase price plus accrued dividends; and

(10) any Preferred Stock issued by (a) such Person, if such Person is a Restricted Subsidiary or (b) any Restricted Subsidiary of such Person, valued at the greater of its voluntary or involuntary liquidation preference and its maximum fixed repurchase price plus accrued dividends.

The amount of Indebtedness of any Person at any date shall be the outstanding balance at such date of all unconditional obligations as described above and, with respect to contingent obligations, the maximum liability upon the occurrence of the contingency giving rise to the obligation; *provided*

(1) that the amount outstanding at any time of any Indebtedness issued with original issue discount is the face amount of such Indebtedness less the remaining unamortized portion of the original issue discount of such Indebtedness at such time as determined in conformity with GAAP;

(2) that money borrowed and set aside at the time of the Incurrence of any Indebtedness in order to prefund the payment of the interest on such Indebtedness shall not be deemed to be "Indebtedness" so long as such money is held to secure the payment of such interest; and

(3) that the amount of Indebtedness with respect to any Hedging Obligation shall be equal to the net amount payable if the Commodity Hedging Agreement, Currency Hedging Agreement or Interest Rate Hedging Agreement giving rise to such Hedging Obligation terminated at that time due to default by such Person.

For the avoidance of doubt, none of the following will constitute Indebtedness (i) obligations in respect of taxes, workers' compensation claims, early retirement or termination obligations, pension fund obligations or contributions or similar claims, obligations or contributions or social security or wage taxes, (ii) obligations arising from the endorsement of negotiable instruments in the ordinary course of business and (iii) deposits and advance payments received in connection with the Permitted Business.

Notwithstanding the foregoing, (A) in connection with the purchase by the Company or any Restricted Subsidiary of any asset or property to be used in the ordinary course of business by the Company or any Restricted Subsidiary in the Permitted Business (including any such purchase through the acquisition of Capital Stock of any Person that owns such asset or property, which will, upon such acquisition, become a Restricted Subsidiary), the term "Indebtedness" will not include post-closing payment obligations of the Company or such Restricted Subsidiary to which the seller may become entitled to the extent the amount of such payment is determined by a final closing balance sheet, final reserve assessment or a similar report or document or such payment depends on the performance of such asset or property after the closing; *provided*, *however*, that, at the time of closing, the amount of any such payment obligation is not determinable and, to the extent such payment thereafter becomes fixed and determined, the amount is paid within 180 days thereafter and (B) the term "Indebtedness" will not include any Reclassified Lease Obligations.

"**Independent Engineer**" means an independent engineer of recognized standing and qualification with respect to the development of the Airport, as selected by the Company.

"**Initial Public Offering**" means an Equity Offering following which there is a Public Market and, as a result of which, the Common Stock of the Company in such offering is listed on an internationally recognized stock exchange or traded on an internationally recognized stock market.

"**Intercreditor Agreement**" means the intercreditor agreement, dated October 27, 2017, entered into between the 2027 Notes Trustee and the Security Trustee, as acceded to by the 2024 Notes Trustee, certain hedging counterparties, the lenders under the Existing Working Capital Facilities and the Trustee (on behalf of Holders) and as may be amended, supplemented and/or acceded to from time to time.

"**Interest Rate Hedging Agreement**" means any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement, option or future contract or other similar agreement or arrangement designed to manage the interest component of financing cost or to protect against fluctuations in interest rates.

"**Investment**" means:

(1) any direct or indirect advance, loan or other extension of credit to another Person;

(2) any capital contribution to another Person (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others);

(3) any purchase or acquisition of Capital Stock (or options, warrants or other rights to acquire such Capital Stock), Indebtedness, bonds, notes, debentures or other similar instruments or securities issued by another Person; or

(4) any Guarantee of any obligation of another Person.

For the purposes of the provisions of the covenants described under "—Certain Covenants—Designation of Restricted and Unrestricted Subsidiaries" and "—Certain Covenants—Limitation on Restricted Payments": (1) the Company will be deemed to have made an Investment in an Unrestricted Subsidiary in an amount equal to the Fair Market Value of the Company's direct or indirect proportionate interest in the assets (net of the liabilities owed to any Person other than the Company or a Restricted Subsidiary and that are not Guaranteed by the Company or a Restricted Subsidiary) of a Restricted Subsidiary that is designated an Unrestricted Subsidiary calculated as of the time of such designation, and (2) any property transferred to or from any Person shall be valued at its Fair Market Value at the time of such transfer, as determined in good faith by the Board of Directors.

"**Investment Grade**" means a rating of "AAA," "AA," "A" or "BBB," as modified by a "+" or "-" indication, or an equivalent rating representing one of the four highest rating categories, by S&P or Fitch or any of their respective successors or assigns, or the equivalent ratings of any internationally recognized rating agency or agencies, as the case may be, which shall have been designated by the Company as having been substituted for S&P and/or Fitch, as the case may be.

"**JV Company**" means any Person in which the Company or a Restricted Subsidiary owns more than 10% and 50% or less of the Voting Stock, directly or indirectly, and has the right to participate in the management of such Person.

"**Land Lease Agreement**" means the land lease agreement between the Governor of Andhra Pradesh and the Company dated September 30, 2003, as amended from time to time.

"**Lien**" means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including, without limitation, any conditional sale or other title retention agreement or lease in the nature thereof or any agreement to create any mortgage, pledge, security interest, lien, charge, easement or encumbrance of any kind).

"**Master Plan**" means the master plan for the development of the Airport which sets out the plans for the staged developments of the Airport, covering aeronautical and non-aeronautical services for the concession period, as described in this offering memorandum and as such master plan may be amended and supplemented from time to time in accordance with the Concession Agreement.

"**Material Acquisitions or Dispositions**" means any transaction that would require the preparation of *pro forma* financial information pursuant to Rule 11-01(a) or (b) of Regulation S-X promulgated under the Securities Act, assuming that such Rule were applicable to the Company.

"**Measurement Date**" means October 27, 2017.

"**Memorandum of Entry and Deposit of Title Deeds**" means the memorandum of entry recording mortgage by deposit of title deeds by constructive delivery by the Company for the benefit of the Holders to be recorded by the Security Trustee.

"**Memorandum of Hypothecation**" means the seventh supplementary deed to the memorandum of hypothecation, dated October 27, 2017, entered into between the Company in favor of the Security Trustee for the benefit of the Holders and the Trustee, dated the Original Issue Date, as amended and supplemented from time to time.

"**MoCA**" means the Ministry of Civil Aviation, Government of India.

"**Moody's**" means Moody's Investors Service, Inc., a subsidiary of Moody's Corporation, and its successors.

"**Net Cash Proceeds**" means:

(1) with respect to any Asset Sale (other than the issuance or sale of Capital Stock), the proceeds of such Asset Sale in the form of cash or cash equivalents, including payments in respect of deferred payment obligations (to the extent corresponding to the principal, but not interest, component thereof) when received in the form of cash or cash equivalents and proceeds from the conversion of other property received when converted to cash or cash equivalents, net of:

(a) brokerage commissions and other fees and expenses (including fees and expenses of counsel and investment bankers) related to such Asset Sale;

(b) provisions for all taxes (whether or not such taxes will actually be paid or are payable) as a result of such Asset Sale without regard to the consolidated results of operations of the Company and the Restricted Subsidiaries, taken as a whole;

(c) payments made to repay Indebtedness or any other obligation outstanding at the time of such Asset Sale that either (x) is secured by a Lien on the property or assets sold or (y) is required to be paid as a result of such sale;

(d) appropriate amounts to be provided by the Company or any Restricted Subsidiary as a reserve against any liabilities associated with such Asset Sale, including, without limitation, pension and other post-employment benefit liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations associated with such Asset Sale, all as determined in conformity with GAAP;

(e) all distributions and other payments required to be made to minority interest holders in Subsidiaries or JV Companies as a result of such Asset Sale or the distribution of proceeds from such Asset Sale made by a Subsidiary or a JV Company; and

(f) payments made to MoCA relating to such Asset Sale, if any, solely to the extent required and actually paid under the revenue sharing arrangements with MoCA set forth in the Concession Agreement; and

(2) with respect to any Asset Sale consisting of the issuance or sale of Capital Stock, the proceeds of such issuance or sale in the form of cash or cash equivalents, including payments in respect of deferred payment obligations (to the extent corresponding to the principal, but not interest, component thereof) when received in the form of cash or cash equivalents and proceeds from the conversion of other property received when converted to cash or cash equivalents, net of attorneys' fees, accountants' fees, underwriters' or placement agents' fees, discounts or commissions and brokerage, consultant and other fees incurred in connection with such issuance or sale and net of taxes paid or payable as a result thereof.

"**Offer to Purchase**" means an offer to purchase Notes by the Company from the Holders commenced by mailing a notice by first class mail, postage prepaid, to the Trustee and each Holder at its last address appearing in the Note register stating:

(1) the provision in the Indenture pursuant to which the offer is being made and that all Notes validly tendered will be accepted for payment on a pro rata basis;

(2) the purchase price and the date of purchase (which shall be a Business Day no earlier than 30 days nor later than 60 days from the date such notice is mailed) (the "Offer to Purchase Payment Date");

(3) that any Note not tendered will continue to accrue interest pursuant to its terms;

(4) that, unless the Company defaults in the payment of the purchase price, any Note accepted for payment pursuant to the Offer to Purchase shall cease to accrue interest on and after the Offer to Purchase Payment Date;

(5) that Holders electing to have a Note purchased pursuant to the Offer to Purchase will be required to surrender the Note, together with the form entitled "Option of the Holder to Elect Purchase" on the reverse side of the Note completed, to the Paying Agent at the address specified in the notice prior to the close of business on the Business Day immediately preceding the Offer to Purchase Payment Date;

(6) that Holders will be entitled to withdraw their election if the Paying Agent receives, not later than the close of business on the third Business Day immediately preceding the Offer to Purchase Payment Date, a facsimile transmission or letter setting forth the name of such Holder, the principal amount of Notes delivered for purchase and a statement that such Holder is withdrawing his election to have such Notes purchased; and

(7) that Holders whose Notes are being purchased only in part will be issued new Notes equal in principal amount to the unpurchased portion of the Notes surrendered; *provided* that each Note purchased and each new Note issued shall be in a principal amount of US$200,000 or any amount in excess thereof which is an integral multiple of US$1,000.

One Business Day prior to the Offer to Purchase Payment Date, the Company shall deposit with the Paying Agent money sufficient to pay the purchase price of all Notes or portions thereof to be accepted by the Company for payment on the Offer to Purchase Payment Date. On the Offer to Purchase Payment Date, the Company shall (a) accept for payment on a pro rata basis Notes or portions thereof tendered pursuant to an Offer to Purchase;

and (b) deliver, or cause to be delivered, to the Trustee all Notes or portions thereof so accepted together with an Officer's Certificate specifying the Notes or portions thereof accepted for payment by the Company. The Paying Agent shall promptly pay to the Holders of Notes so accepted payment of an amount equal to the purchase price, and upon receipt of written order of the Company signed by an Officer the Trustee shall promptly authenticate and register in such Holder's name a new Note equal in principal amount to any unpurchased portion of the Note surrendered; *provided* that each Note purchased and each new Note issued shall be in a principal amount of US$200,000 or any amount in excess thereof which is an integral multiple of US$1,000. The Company will publicly announce the results of an Offer to Purchase as soon as practicable after the Offer to Purchase Payment Date. The Company will comply with Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws and regulations are applicable, in the event that the Company is required to repurchase Notes pursuant to an Offer to Purchase.

The offer is required to contain or incorporate by reference information concerning the business of the Company and its Subsidiaries which the Company in good faith believes will assist such Holders to make an informed decision with respect to the Offer to Purchase, including a brief description of the events requiring the Company to make the Offer to Purchase, and any other information required by applicable law to be included therein. The offer is required to contain all instructions and materials necessary to enable such Holders to tender Notes pursuant to the Offer to Purchase.

"**Officer**" means an officer or director of the Company or, in the case of a Restricted Subsidiary, one of the directors or officers of such Restricted Subsidiary, in each case including any key management person.

"**Officer's Certificate**" means a certificate signed by an Officer.

"**Opinion of Counsel**" means a written opinion from legal counsel (including local counsel for jurisdictions other than the State of New York with respect to agreements or documents governed by any law other than the State of New York) which opinion is reasonably acceptable to the Trustee and where applicable that meets any specific requirements set out in the Indenture; *provided* that legal counsel shall be entitled to rely on certificates of the Company and any Subsidiary of the Company as to matters of fact.

"**Original Issue Date**" means the date on which the Notes are initially issued under the Indenture.

"**Permitted Business**" means any business contemplated by the Concession Agreement and any other business reasonably related, ancillary or complementary thereto, including the development, operation and management of other airports that are complementary to the Airport.

"**Permitted Holders**" means GMR Airports Limited and any of its Affiliates (other than an Affiliate as defined in clause (2) of the definition of Affiliate).

"**Permitted Investment**" means:

(1) any Investment in the Company or a Restricted Subsidiary that is primarily engaged in a Permitted Business or a Person which will, upon the making of such Investment, become a Restricted Subsidiary that is primarily engaged in a Permitted Business or will be merged or consolidated with or into, or transfer or convey all or substantially all its assets to, the Company or a Restricted Subsidiary that is primarily engaged in a Permitted Business;

(2) cash or Temporary Cash Investments;

(3) payroll, travel and similar advances made in the ordinary course of business to cover matters that are expected at the time of such advances ultimately to be treated as expenses in accordance with GAAP;

(4) any Investment pursuant to a Hedging Obligation designed solely to protect the Company or any Subsidiary Guarantor against fluctuations in commodity prices, interest rates or foreign currency exchange rates;

(5) Investments consisting of consideration received in connection with an Asset Sale and made in compliance with, the covenant described under "—Certain Covenants—Limitation on Asset Sales";

(6) loans or advances to vendors, contractors, suppliers, distributors or service providers, including advance payments for equipment and machinery made to the manufacturer or supplier thereof, of the Company or any Restricted Subsidiary in the ordinary course of business and dischargeable in accordance with customary trade terms;

(7) Investments in existence on the Original Issue Date and any Investment consisting of an extension of the term or renewal of any Investment existing on, or made pursuant to a binding commitment existing on the Original Issue Date, in each case where such investments are described in this offering memorandum;

(8) any Investments received in compromise, resolution or satisfaction of (a) obligations of trade creditors or customers that were incurred in connection with the Permitted Business, including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any trade creditor or customer or (b) litigation, arbitration or other disputes with Persons who are not Affiliates;

(9) loans or advances to employees made in the ordinary course of business in an aggregate principal amount not to exceed US$5.0 million (or the Dollar Equivalent thereof) at any one time outstanding;

(10) repurchases of the Notes;

(11) Investments consisting of the licensing or contribution of intellectual property pursuant to joint marketing arrangements with other Persons;

(12) Investments consisting of endorsement of negotiable instruments and documents in the ordinary course of business;

(13) notes payable, receivables, trade credits or other current assets owing to the Company or any Restricted Subsidiary, if created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms;

(14) (i) pledges or deposits made in the ordinary course of business to secure payment of utility contracts or (ii) Investments consisting of earnest money deposits or escrowed money required in connection with any acquisition, joint venture or acquisition of assets not otherwise prohibited by the Indenture or the Security Documents;

(15) an acquisition of assets used in a Permitted Business or Capital Stock in a Person engaged in a Permitted Business by the Company or a Subsidiary for consideration to the extent such consideration consists solely of Common Stock of the Company;

(16) any Guarantee Incurred under clause (2)(h) of the covenant described under "Certain Covenants—Limitation on Indebtedness;"

(17) Investments in Unrestricted Subsidiaries or JV Companies, each of which is engaged in a Permitted Business, having an aggregate Fair Market Value (measured on the date each such Investment was made and without giving effect to subsequent changes in value), when taken together with all other Investments made pursuant to this clause (17) that are at that time outstanding, not to exceed US$50.0 million plus the amount of Qualified Concessionaire Deposits held by the Company at the time of such Investment; and

(18) Investments in an Unrestricted Subsidiary or JV Company made in exchange for an Investment in an Unrestricted Subsidiary or JV Company, including any conversion or exchange of any such Investment or any Investment received in connection with a merger or consolidation of an Unrestricted Subsidiary or JV Company an Unrestricted Subsidiary or JV Company.

"**Permitted Liens**" means:

(1) Liens for taxes, assessments, governmental charges or claims that are being contested in good faith by appropriate legal or administrative proceedings promptly instituted and diligently conducted and for which a reserve or other appropriate provision, if any, as shall be required in conformity with GAAP shall have been made;

(2) statutory and common law Liens of landlords and carriers, warehousemen, mechanics, suppliers, repairmen or other similar Liens arising in the ordinary course of business and with respect to amounts not yet delinquent or being contested in good faith by appropriate legal or administrative proceedings promptly instituted and diligently conducted and for which a reserve or other appropriate provision, if any, as shall be required in conformity with GAAP shall have been made;

(3) Liens incurred or deposits made to secure (i) the performance of tenders, bids, leases, statutory or regulatory obligations, bankers' acceptances, completion guarantees, surety and appeal bonds, government contracts, performance and return-of-money bonds; (ii) reimbursement obligations with respect to letters of credit, performance and surety bonds and completion guarantees and other obligations of a similar nature; (iii) liability for premiums to insurance carriers; (iv) posted cash as collateral for guarantees (in each case, incurred in the ordinary course of business and exclusive of obligations for the payment of borrowed money); and (v) performance under the bank guarantee facility availed for maintaining debt service reserve accounts under the Trust and Retention Account Agreement;

(4) leases or subleases granted to others that do not materially interfere with the ordinary course of business of the Company and the Restricted Subsidiaries, taken as a whole;

(5) Liens on property of, or on shares of Capital Stock or Indebtedness of, any Person existing at the time such Person (i) becomes a Restricted Subsidiary or (ii) is merged with or into or consolidated with the Company or any Restricted Subsidiary; *provided* that such Liens do not extend to or cover any property or assets of the Company or any Restricted Subsidiary other than the property or assets of such Person (if such Person becomes a Restricted Subsidiary) or the property or assets acquired by the Company or such Restricted Subsidiary (if such Person is merged with or into or consolidated with the Company or such Restricted Subsidiary); *provided further* that such Liens were not created in contemplation of or in connection with the transactions or series of transactions pursuant to which such Person became a

Restricted Subsidiary; *provided further* that such Liens shall not include Liens incurred under paragraph (25) of this definition;

(6) Liens in favor of the Company or any Subsidiary Guarantor;

(7) Liens arising from the rendering of a final judgment or order against the Company or any Restricted Subsidiary that do not give rise to an Event of Default;

(8) Liens securing reimbursement obligations with respect to letters of credit, performance and surety bonds and completion guarantees that encumber documents and other property relating to such letters of credit and the products and proceeds thereof;

(9) Liens existing on the Original Issue Date;

(10) Liens securing Indebtedness which is Incurred to refinance secured Indebtedness which is permitted to be Incurred under paragraph (2)(d) of the covenant described under "—Certain Covenants—Limitation on Indebtedness," *provided* that in the case of Indebtedness described under paragraphs (2)(d)(i)(A) and (2)(d)(i)(B), such Liens do not (i) extend to or cover any property or assets of the Company or any Restricted Subsidiary other than the property or assets securing the Indebtedness being refinanced; and (ii) rank higher in priority than the Liens on such property or assets securing the secured Indebtedness being refinanced, whether by priority of such Lien or the priority of payment on enforcement of such Lien;

(11) Liens securing Hedging Obligations permitted to be Incurred under paragraph (2)(e) of the covenant described under "—Certain Covenants—Limitation on Indebtedness," *provided* that (i) Indebtedness relating to any such Hedging Obligation is, and is permitted under the covenant described under "—Certain Covenants—Limitation on Liens" to be, secured by a Lien on the same property securing such Hedging Obligation or (ii) such Liens are encumbering customary initial deposits or margin deposits or are otherwise within the general parameters customary in the industry and incurred in the ordinary course of business;

(12) Liens on the Collateral securing the Notes (including any Additional Notes issued in accordance with the Indenture);

(13) Liens securing Attributable Indebtedness that is permitted to be Incurred under the Indenture;

(14) leases and licenses of intellectual property that do not materially interfere with the ordinary course of business of the Company and the Restricted Subsidiaries, taken as a whole;

(15) Liens securing Permitted Pari Passu Secured Indebtedness;

(16) Liens on deposits securing trade letters of credit (and reimbursement obligations relating thereto) incurred in the ordinary course;

(17) survey exceptions, easements or reservations of, or rights of others for, licenses, rights-of-way, leases, sewers, electric lines, gas lines, telegraph and telephone lines and other similar purposes, or zoning or other restrictions as to the use of real property that were not incurred in connection with Indebtedness and that do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of such Person;

(18) security provided, or caused to be provided in the ordinary course of business (and not in connection with the borrowing of money or the obtaining of credit) to a public utility or any municipality or governmental or other public authority when required by such utility or municipality or governmental or other authority in connection with the operations of the Company and its Restricted Subsidiaries;

(19) Liens incurred or pledges or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security and employee health and disability benefits;

(20) Liens arising out of conditional sale, title retention consignment or similar arrangements for the sale of goods entered into by the Company or any of its Restricted Subsidiaries in the ordinary course of business in accordance with past practice;

(21) bankers' Liens, rights of setoff and other similar Liens existing solely with respect to cash and cash equivalents on deposit in one or more accounts maintained by the Company granted in the ordinary course of business in favor of the bank or banks with which such accounts are maintained, securing amounts owing to such bank with respect to cash management and operating account arrangements, including those involving pooled accounts, netting arrangements or sweep accounts; *provided* that, unless such Liens are non-consensual and arise by operation of law, in no case shall any such Liens secure (directly or indirectly) the repayment of any Indebtedness;

(22) Liens (unless such Liens are non-consensual) relating to purchase orders and other agreements entered into with customers of the Company or any of its Restricted Subsidiaries in the ordinary course of business;

(23) any encumbrance or restriction (including put and call arrangements) with respect to Capital Stock of any joint venture or similar arrangement pursuant to any joint venture or similar agreement;

(24) Liens (unless such Liens are non-consensual) on equipment of the Company or any Restricted Subsidiary and located on the premises of any client or supplier in the ordinary course of business;

(25) Liens on Capital Stock or other securities or assets of any Unrestricted Subsidiary that secure obligations of such Unrestricted Subsidiary;

(26) Liens on assets or securities deemed to arise in connection with and solely as a result of the execution, delivery or performance of contracts to sell such assets or securities if such sale is otherwise permitted by the Indenture and the Concession Agreement;

(27) Liens in connection with any disposition of Capital Stock of a Restricted Subsidiary pursuant to Indian regulatory or shareholding requirements, including, without limitation, the ability to enter into put or call arrangements with third parties;

(28) Liens securing Indebtedness of a Restricted Subsidiary which is permitted to be Incurred under paragraph (2)(f) or (2)(g) of the covenant described under "—Certain Covenants—Limitation on Indebtedness," *provided* that such Liens are limited to (i) the property or assets of the Restricted Subsidiary incurring such Indebtedness and (ii) the Capital Stock of the Restricted Subsidiary incurring such Indebtedness that is owned by the Company or another Restricted Subsidiary;

(29) Liens over Excluded Accounts;

(30) Liens on the Capital Stock of Subsidiaries and JV Companies securing Indebtedness of the Company incurred under paragraph (1) or (2)(g) of the covenant described under "—Certain Covenants—Limitation on Indebtedness";

(31) Liens incurred in the ordinary course of business of the Company or any Restricted Subsidiary with respect to obligations that do not exceed US$10.0 million at any one time outstanding;

(32) Liens (including extensions and renewals thereof) upon real or personal property, assets, machinery, plant or equipment acquired, developed, installed, improved or expanded after the Original Issue Date (including through the acquisition of Capital Stock of any Person that owns such real or personal property, assets, machinery, plant or equipment which will, upon such acquisition, become a Restricted Subsidiary and including any interest or title of a lessor under Capitalized Lease Obligations); *provided* that (a) such Lien is created solely for the purpose of securing Indebtedness Incurred by the Company under paragraph (2)(g) of the covenant described under "—Certain Covenants—Limitation on Indebtedness", (b) such Lien is created prior to, at the time of or within 180 days after the later of the acquisition or the completion of development, construction, installation, improvement or expansion of such property, (c) the principal amount of Indebtedness secured by such Lien does not exceed 100% of the cost (including adjustment of purchase price or similar obligations) of such property, development, construction, installation, improvement or expansion and (d) such Lien shall not extend to or cover any property or assets other than such item of real or personal property, assets, machinery, plant or equipment and any improvements on such item; and

(33) any interest or title of a lessor in the property subject to any lease.

"**Permitted Pari Passu Secured Indebtedness**" means Senior Indebtedness of the Company or a Subsidiary Guarantor Incurred pursuant to paragraphs (1), (2)(a), 2(d), 2(e) and (2)(f) of "—Certain Covenants—Limitation on Indebtedness" and Permitted Refinancing Indebtedness thereof.

"**Person**" means any individual, corporation, partnership, limited liability company, joint venture, trust, unincorporated organization or government or any agency or political subdivision thereof.

"**Preferred Stock**" as applied to the Capital Stock of any Person means Capital Stock of any class or classes that by its term is preferred as to the payment of dividends, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over shares of Capital Stock of any other class of such Person.

"**Project Agreements**" means the Concession Agreement, the Land Lease Agreement, the State Support Agreement and the CNS-ATM Agreement.

"**Public Market**" means, upon the consummation of an Equity Offering, either (i) 20% or more of the total issued and outstanding Common Stock of the Company or (ii) Common Stock of the Company with a market value in excess of US$100.0 million (or the Dollar Equivalent thereof), has been distributed to investors other than Affiliates of the Company or any Permitted Holders.

"**Qualified Concessionaire Deposits**" means deposits held by the Company received from Persons to which the Company has granted a concession pursuant to the rights granted to the Company under the Concession Agreement where the terms of such deposit require repayment no earlier than the date that is six months after the final maturity date of the Notes.

"**Rating Agencies**" means S&P and Fitch; *provided* that if either of S&P or Fitch shall not make a rating of the Notes publicly available, one or more nationally recognized statistical rating organizations (as defined in Section 3(a)(62) under the Exchange Act), as the case may be, selected by the Company, which shall be substituted for S&P and/or Fitch, as the case may be.

"**Rating Category**" means (1) with respect to S&P or Fitch, any of the following categories: "BB," "B," "CCC," "CC," "C" and "D" (or equivalent successor categories); and (2) the equivalent of any such category of S&P or Fitch used by another Rating Agency. In determining whether the rating of the Notes has decreased by one or more gradations, gradations within Rating Categories ("+" and "-" for S&P and Fitch; or the equivalent gradations for another Rating Agency) shall be taken into account (e.g., with respect to S&P and Fitch, a decline in a rating from "BB+" to "BB," as well as from "BB-" to "B+," will constitute a decrease of one gradation).

"**Rating Date**" means in connection with actions contemplated under "—Consolidation, Merger and Sale of Assets" and "—Repurchase of Notes Upon a Change of Control Triggering Event," that date which is 90 days prior to the earlier of (x) the occurrence of any such actions as set forth therein and (y) a public notice of the occurrence of any such actions.

"**Rating Decline**" means in connection with actions contemplated under "—Consolidation, Merger and Sale of Assets" and "—Repurchase of Notes Upon a Change of Control Triggering Event," the notification by any of the Rating Agencies that such proposed actions will result in any of the events listed below:

(1) in the event the Notes are rated by two of the Rating Agencies on the Rating Date as Investment Grade, the rating of the Notes by either of such two Rating Agencies shall be below Investment Grade;

(2) in the event the Notes are rated by one, and only one, of the Rating Agencies on the Rating Date as Investment Grade, the rating of the Notes by such Rating Agency shall be below Investment Grade; or

(3) in the event the Notes are rated below Investment Grade by all of the Rating Agencies (or the sole Rating Agency) on the Rating Date, the rating of the Notes by any Rating Agency shall be decreased by one or more gradations (including gradations within Rating Categories as well as between Rating Categories).

"**Reclassified Lease Obligations**" means obligations of the Company or a Restricted Subsidiary (not being Attributable Indebtedness) that would have been classified as operating leases as determined in accordance with GAAP prior to the implementation of Ind-AS 116, but as a result of Ind-AS 116 are classified under GAAP as Capitalized Lease Obligations.

"**Restricted Subsidiary**" means any Subsidiary of the Company other than an Unrestricted Subsidiary.

"**S&P**" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., and its successors.

"**Sale and Leaseback Transaction**" means any direct or indirect arrangement relating to property (whether real, personal or mixed), now owned or hereafter acquired whereby the Company or any Restricted Subsidiary transfers such property to another Person and the Company or any Restricted Subsidiary leases it from such Person.

"**Sale Deed**" means the sale deed dated June 16, 2015 executed between Boyance Infrastructure Private Limited and GMR Hyderabad International Airport Limited bearing registered document number 12927 of 2015

and registered with District Registrar, Ranga Reddy District, pursuant to which the Company acquired a portion of land measuring 8.824 acres, including the buildings and other structures built thereon.

"**Securities Act**" means the U.S. Securities Act of 1933, as amended.

"**Security Document**" means all security agreements, pledge agreements, assignments, mortgages, deeds of trust, security trustee or collateral agency agreements, control agreements or other grants or transfers of security executed and delivered by the Company and any Subsidiary Guarantor creating (or purporting to create) a Lien upon the Collateral in favor of the Security Trustee (for the benefit of the Holders) and the Trustee, including, without limitation, the Memorandum of Hypothecation, the Declaration, the Memorandum of Entry and the Deposit of Title Deeds, the Security Trustee Agreement, the Direct Agreement and the Intercreditor Agreement.

"**Security Trustee**" means IDBI Trusteeship Services Limited and any successor thereof or substitute therefore in accordance with the terms of the Security Documents.

"**Security Trustee Agreement**" means the security trustee agreement between, among others, the Company, the 2027 Notes Trustee and the Security Trustee, dated the October 27, 2017, as acceded to by the 2024 Notes Trustee, certain hedging counterparties, the lenders under the Existing Working Capital Facilities and the Trustee (on behalf of the Holders) and as may be amended, supplemented and/or acceded to from time to time.

"**Senior Indebtedness"** of the Company or a Restricted Subsidiary, as the case may be, means all Indebtedness of the Company or the Restricted Subsidiary, as relevant, whether outstanding on the Original Issue Date or thereafter created, except for Indebtedness which, in the instrument creating or evidencing the same, is expressly stated to be subordinated in right of payment to (a) in respect of the Company, the Notes or (b) in respect of any Subsidiary Guarantor, its Subsidiary Guarantee; *provided* that Senior Indebtedness does not include (1) any obligation to the Company or any Restricted Subsidiary, (2) Trade Payables or (3) Indebtedness Incurred in violation of the Indenture.

"**Significant Subsidiary**" means any Restricted Subsidiary that would be a "significant subsidiary" as defined in Article 1, Rule 1-02 of Regulation S-X, promulgated under the Securities Act, as such regulation is in effect on the Original Issue Date.

"**Sponsor Bridge Financing**" means any Indebtedness of the Company that is (i) Incurred pursuant to clause (1) or (2)(a) under the covenant described under "—Limitation on Indebtedness"; (ii) provided by GMR Infrastructure Limited or one of its Subsidiaries as Subordinated Indebtedness; (iii) not prohibited by the terms of the Company's existing Indebtedness at the time such Sponsor Bridge Financing is Incurred; and (iv) used to fund Required Capital Expenditure.

"**State Government**" means, prior to notification of the provisions of Andhra Pradesh Reorganization Act, 2014, the State Government of Andhra Pradesh and, subsequently thereto, the Government of Telangana State.

"**State Support Agreement**" means the state support agreement between the Governor of Andhra Pradesh and the Company dated September 30, 2003, as amended from time to time.

"**Stated Maturity**" means, (1) with respect to any Indebtedness, the date specified in such debt security as the fixed date on which the final installment of principal of such Indebtedness is due and payable as set forth in the documentation governing such Indebtedness and (2) with respect to any scheduled installment of principal of or interest on any Indebtedness, the date specified as the fixed date on which such installment is due and payable

as set forth in the documentation governing such Indebtedness, and shall not include any contingent obligations to repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof.

"**Subordinated Indebtedness**" means any Indebtedness of the Company or any Subsidiary Guarantor that is contractually subordinated or junior in right of payment to the Notes or to any Subsidiary Guarantee, as applicable, pursuant to a written agreement to such effect.

"**Subsidiary**" means, with respect to any Person, any corporation, association or other business entity of which more than 50% of the voting power of the outstanding Voting Stock is owned, directly or indirectly, by such Person and one or more other Subsidiaries of such Person.

"**Subsidiary Guarantee**" means any Guarantee of the obligations of the Company under the Indenture and the Notes by any Subsidiary Guarantor.

"**Subsidiary Guarantor**" means any Restricted Subsidiary that Guarantees the obligations of the Company under the Indenture and the Notes; *provided* that "Subsidiary Guarantor" does not include any Person whose Subsidiary Guarantee has been released in accordance with the Indenture and the Notes.

"**Temporary Cash Investment**" means any of the following:

(1) direct obligations of the United States of America, Hong Kong, Singapore, a member state of the European Union or the Republic of India, or, in each case, any agency of either of the foregoing or obligations fully and unconditionally Guaranteed by such country or any agency of the foregoing, in each case maturing within one year;

(2) demand or time deposit accounts, certificates of deposit and money market deposits maturing within one year of the date of acquisition thereof issued by a bank, trust company or other financial institution that is organized under the laws of the United States of America or the Republic of India or any other bank, trust company or financial institution which is authorized to carry on business in India and which bank, trust company or financial institution (x) has capital, surplus and undivided profits aggregating in excess of US$100.0 million (or the Dollar Equivalent thereof) and (y) has outstanding debt which is rated "A" or such similar equivalent rating) or higher by at least one nationally recognized statistical rating organization (as defined in Section 3(a)(62) under the Exchange Act);

(3) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clause (1) above entered into with a bank or trust company meeting the qualifications described in clause (2) above;

(4) commercial paper, maturing not more than one year after the date of acquisition thereof, issued by a corporation (other than an Affiliate of the Company) organized and in existence under the laws of the United States of America or India or any other bank, trust company or financial institution which is authorized to carry on business in India with a rating at the time as of which any investment therein is made of "P-1" (or higher) according to Moody's or "A-1" (or higher) according to S&P;

(5) securities with maturities of one year or less from the date of acquisition thereof, issued or fully and unconditionally Guaranteed by any state, commonwealth or territory of the United States of America, or by any political subdivision or taxing authority thereof, and rated at least "A" by S&P or Moody's;

(6) freely tradeable, short term senior debt instruments or certificates of deposit having a rating of at least AAA by CRISIL Limited or equivalent ratings by ICRA Limited, CARE Ratings Limited or Fitch;

(7) freely tradeable schemes of a mutual fund that invests only in gilt and/or debt instruments having a rating of at least AAA by CRISIL Limited or equivalent ratings by ICRA Limited, CARE Ratings Limited or Fitch;

(8) any money market fund that has at least 95.0% of its assets continuously invested in investments of the types described in clauses (1) through (7) above; and

(9) demand or time deposit accounts, certificates of deposit and money market deposits, bankers acceptances, in each case, in the ordinary course of business and with maturities not exceeding one year from the date of acquisition, with any lender party to a credit facility with the Company or any Restricted Subsidiary or, solely in the ordinary course of business of the Company or the relevant Restricted Subsidiary, with a commercial bank having capital and surplus in excess of US$100.0 million (or the Dollar Equivalent thereof) and located in the jurisdiction where the Company or such Restricted Subsidiary is conducting business.

"**Total Assets**" means, as of any date of determination, the total consolidated assets of the Company and its Restricted Subsidiaries measured in accordance with GAAP as of the last day of the most recently ended fiscal quarter prior to such date for which consolidated financial statements (which may be internal financial statements) of the Company are available; *provided* that "Total Assets" will be calculated after giving pro forma effect to reflect (without duplication) (a) the cumulative value of all assets, real or personal property, machinery, plant and equipment, the acquisition, development, installation, expansion, construction or improvement of which requires or required the Incurrence of Indebtedness, as measured by the purchase price or cost therefor or budgeted cost provided in good faith by the Company or any Restricted Subsidiary to the bank or financial institutional lender providing such Indebtedness (but only to the extent that such cumulative value is not reflected in such total consolidated assets as of the last day of such fiscal quarter) and (b) any asset acquisitions and asset dispositions (including giving pro forma effect to the application of proceeds of any asset disposition) that have been made since the last day of such fiscal quarter and on or prior to such date of determination.

"**Trade Payables**" means, with respect to any Person, any accounts payable or any other indebtedness or monetary obligation to trade creditors created, assumed or Guaranteed by such Person or any of its Subsidiaries arising in the ordinary course of business in connection with the acquisition of goods or services and, unless the amount payable under such indebtedness or obligation is being contested or disputed or withheld or retained by such Person in good faith, payable within 180 days.

"**Transaction Date**" means, with respect to the Incurrence of any Indebtedness, the date such Indebtedness is to be Incurred and, with respect to any Restricted Payment, the date such Restricted Payment is to be made.

"**Trust and Retention Account Agreement**" means the trust and retention account agreement between, among others, the Company, the Security Trustee and the Account Bank, dated October 27, 2017, as may be amended, supplemented or acceded to from time to time.

"**Unrestricted Subsidiary**" means (1) any Subsidiary of the Company that at the time of determination shall be designated an Unrestricted Subsidiary by the Board of Directors in the manner provided in the Indenture and (2) any Subsidiary of an Unrestricted Subsidiary.

"**U.S. Government Obligations**" means securities that are (1) direct obligations of the United States of America for the payment of which its full faith and credit is pledged or (2) obligations of a Person controlled or

supervised by and acting as an agency or instrumentality of the United States of America the payment of which is unconditionally Guaranteed as a full faith and credit obligation by the United States of America, which, in either case, are not callable or redeemable at the option of the issuer thereof at any time prior to the Stated Maturity of the Notes, and shall also include a depository receipt issued by a bank or trust company as custodian with respect to any such U.S. Government Obligation or a specific payment of interest on or principal of any such U.S. Government Obligation held by such custodian for the account of the holder of a depository receipt; *provided* that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian in respect of the U.S. Government Obligation or the specific payment of interest on or principal of the U.S. Government Obligation evidenced by such depository receipt.

"**Voting Stock**" means, with respect to any Person, Capital Stock of any class or kind ordinarily having the power to vote for the election of directors, managers or other voting members of the governing body of such Person.

"**Wholly Owned**" means, with respect to any Restricted Subsidiary, the ownership of all of the outstanding Capital Stock of such Subsidiary (other than any director's qualifying shares or Investments by foreign nationals mandated by applicable law) by the Company or one or more Wholly Owned Subsidiaries of the Company.

TAXATION

The information below does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes. In particular, the information does not consider any specific facts of circumstances that may apply to a particular purchaser and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities) may be subject to special rules. Neither these statements nor any other statements in this offering memorandum are to be regarded as advice on the tax position of any holder or beneficial owner of the Notes or of any person acquiring, selling or otherwise dealing with the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes.

Prospective purchasers of the Notes are advised to consult their own tax advisers as to the tax consequences of the purchase, ownership and disposition of the Notes, including the effect of any state or local taxes, under the tax laws applicable in India and each country of which they are residents or countries of purchase, holding or disposition of the Notes. Additionally, in view of the number of jurisdictions where local laws may apply, this offering memorandum does not discuss the local tax consequences to a potential holder, purchaser and seller arising from the acquisition, holding or disposition of the Notes. Prospective investors must therefore inform themselves as to any tax, exchange control legislation or other laws and regulations in force relating to the subscription, holding or disposition of Notes at their place of ordinance, and the countries of which they are citizens or countries of purchase, holding or disposition of Notes.

Indian Taxation

The following is a summary of the existing principal Indian tax consequences for non-resident investors subscribing to the Notes issued by our Company. The summary is based on existing Indian taxation law and practice in force at the date of this offering memorandum and is subject to change, possibly with retroactive effect. The summary does not constitute legal or tax advice and is not intended to represent a complete analysis of the tax consequences under Indian law of the acquisition, ownership or disposal of the Notes. Prospective investors should, therefore, consult their own tax advisers regarding the Indian tax consequences, as well as the tax consequences under any other applicable taxing jurisdiction, of acquiring, owning and disposing of the Notes. This summary does not purport to provide tax advice to any entity.

Taxation of Interest

The Income Tax Act, 1961 (the "Income Tax Act") is the law relating to taxation of income in India. Under the Income Tax Act, interest income payable by issuers of securities to non-resident investors is subject to Indian tax, unless the issuance proceeds are used for the purpose of a business / profession carried on by the issuer outside India, or for the purpose of making or earning any income from a source outside India. Non-resident investors must pay tax on the interest at the rate of 5% under Section 115A of the Income Tax Act (plus applicable surcharge, and health and education cess) read with Section 194LC of the Income Tax Act on interest paid on the Notes through India, provided the rate of interest in respect of bonds does not exceed the rate as may be specified by the Central Government (500 basis points over the applicable base rate of the State Bank of India). The concessional rate of tax is available in respect of interest income payable in respect of borrowings made on or after June 1, 2013 but before July 1, 2020. If such condition prescribed for availing the beneficial tax rate of 5% are not fulfilled, interest earned by non-residents on the Notes, shall be taxable at 20% (plus applicable surcharge and cess).

Section 194LC and Section 115A of Income Tax Act, has been amended by Finance Act, 2020, so as to reduce the tax rate and withholding tax to 4.0% (plus applicable surcharge, and health and education cess) for

interest payable to a nonresident on issue of any long term bonds or Rupee denominated bonds issued on or after April 1, 2020 but before July 1, 2023, which are listed only on a recognized stock exchange located in any International Financial Services Centre.

The rates of tax will stand reduced if the non-resident Noteholder, being the beneficial recipient of the interest, is a resident of a country with which the government of India has entered into an agreement for granting relief of tax or for avoidance of double taxation (a "Tax Treaty") and the provisions of such Tax Treaty, read with Multilateral Instruments ("**MLI**"), if and to the extent applicable, provide for the taxation in India of income by way of interest at a rate lower than that stated above. Benefits under the Tax Treaty would however be subject to the Noteholder being eligible to claim the Tax Treaty benefits, which includes holding a valid Tax Residency Certificate ("TRC"). The interest payable will be subject to withholding taxes in India, subject to conditions as detailed in the section titled "—Withholding Tax" below.

In case of any difference between amounts withheld in respect of interest paid on the Notes through India and the ultimate Indian tax liability of the non-resident Noteholder in India (including any Indian income tax liability arising due to income earned in India, other than interest on the Notes), non-resident Noteholder would be required to pay additional taxes / claim a refund of excess tax withheld, as applicable, subject to and in accordance with the provisions of the Income Tax Act. The non-resident Noteholders shall be obligated to provide all necessary information and documents, as may be required by our Company.

Withholding Tax

As per Section 194LC of the Income Tax Act, interest payable on the Notes issued by the Company will be subject to withholding tax at the rate of 5% (plus applicable surcharge, and health and education cess) subject to fulfillment of the relevant conditions prescribed. If the conditions prescribed for availing the beneficial withholding tax rate of 5% under the section 194LC are not fulfilled, the interest shall be subject to withholding tax at 20% (plus applicable health and education cess), This is subject to any lower rate of tax provided by an applicable Tax Treaty read with MLI, if and to the extent applicable.

Pursuant to the terms and conditions of the Notes, all payments of, or in respect of, principal and interest on the Notes, will be made free and clear of and without withholding or deduction on account of any present or future taxes within India unless it is required by law, in which case, pursuant to Condition 8, our Company will pay additional amounts as may be necessary in order that the net amounts received by the Noteholders after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Notes in the absence of the withholding or deduction, subject to certain exceptions.

With respect to interest on the Notes that is not subject to taxes in India (where the proceeds of the issuance of the Notes are used for the purposes of business carried on by our Company outside India or otherwise), our Company may be required to apply annually for an exemption from withholding tax under section 195(2) of the Income Tax Act for which the Company may require certain details from the Noteholder.

Taxation of gains arising on disposal

Any gains arising to a non-resident Noteholder from a disposal of the Notes held (or be deemed as held) as a capital asset will generally be chargeable to income tax in India if the Notes are regarded as property situated in India. A non-resident Noteholder will not generally be chargeable to income tax in India from a disposal of the Notes held as a capital asset if the Notes are regarded as being situated outside India. The issue as to where securities such as the Notes should properly be regarded as being situated is not free from doubt. As the Company is incorporated in and a resident in India, the Notes issued by the Company may be treated as capital

assets situated in India. If the Indian tax authorities treat the Notes as being situated in India, upon disposal of the Notes:

(i) a non-resident Noteholder who has held the Notes for a period of more than 36 months (long term capital asset) immediately preceding the date of their disposal, would be liable to pay capital gains tax at the rate of 20% of the capital gains (plus applicable surcharge and health and education cess), in accordance with the provisions of the Income Tax Act, as such Note would not qualify as a "security" under the Securities Contracts (Regulations) Act, 1956. The provisions of the applicable Tax Treaty read with MLI, if and to the extent applicable would also be relevant to determine taxability in India.;

(ii) a non-resident Noteholder who has held the Notes for a period of 36 months or less would be liable to pay capital gains tax at the rate of 40% in case of a corporate Noteholder (excluding a foreign portfolio investor ("FPI")) and at the rate of 30% in case of an FPI or non-corporate Noteholder, of capital gains (plus applicable surcharge and health and education cess). The provisions of the applicable Tax Treaty read with MLI, if and to the extent applicable would also be relevant to determine taxability in India; and

(iii) any income arising to a non-resident Noteholder from the transfer of the Notes held as stock-in-trade would be considered as business income. Business income would be subject to income tax in India only to the extent it is attributable to a "business connection in India" or, where a Tax Treaty is applicable, to a "permanent establishment" of the non-resident Noteholder in India. Income earned by a non-resident Noteholder from such "business connection" or "permanent establishment" in India shall be taxable at 40% in the case of a corporate Noteholder, and 30% in the case of non-corporate Noteholder (plus applicable surcharge and health and education cess) on a net basis (that is, after reducing all business related expenses).

U.S. Federal Income Taxation

This section summarizes certain U.S. federal income tax considerations relating to the acquisition, ownership, and disposition of the Notes to U.S. Holders (as defined below). This summary does not provide a complete analysis of all potential tax considerations. The information provided below is based on U.S. federal income tax law, including the Internal Revenue Code of 1986, as amended (the "Code"), its legislative history, existing and proposed Treasury regulations thereunder, published rulings and court decisions, all as at the date hereof and subject to change, possibly with retroactive effect. There can be no assurances that the Internal Revenue Service (the "IRS") will not challenge one or more of the tax consequences described herein, and we have not obtained, nor do we intend to obtain, a ruling from the IRS with respect to the U.S. federal income tax consequences of acquiring, holding or disposing of the Notes. The summary generally applies only to U.S. Holders that purchase Notes in the initial offering at their issue price (which is the first price at which a substantial amount of the Notes is sold for money to the public not including sales to bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers), and that hold the Notes as "capital assets" (generally, property held for investment).

This discussion does not purport to deal with all aspects of U.S. federal income taxation that may be relevant to a particular U.S. Holder in light of the U.S. Holder's circumstances (for example, persons subject to the alternative minimum tax or U.S. Holders whose "functional currency" is not the U.S. dollar). Also, it is not intended to be applicable to all categories of U.S. Holders, some of which may be subject to special rules (such as dealers in securities, traders in securities that elect to use a mark-to-market method of accounting, certain financial institutions, individual retirement and other tax deferred accounts, real estate investment trusts, partnerships, S corporations, or other pass-through entities and investors in such entities, banks, thrifts, regulated investment companies, insurance companies, tax-exempt organizations, former citizens or residents of the United

States, persons holding Notes as part of a hedging, conversion or integrated transaction or straddle, persons who file "applicable financial statements" (and who are required to recognize income when the associated revenue is reflected on such financial statements), persons subject to special tax accounting rules as a result of any item of gross income with respect to the Notes being taken into account in an applicable financial statement, or persons deemed to sell Notes under the constructive sale provisions of the Code). Finally, the summary does not describe the effect of U.S. federal estate and gift tax laws, and the effect of any applicable state, local or non-U.S. tax laws.

As used herein, the term "U.S. Holder" means a beneficial owner of Notes that for U.S. federal income tax purposes is (1) an individual who is a citizen or resident of the United States, (2) a corporation, or entity treated as a corporation for U.S. federal income tax purposes, created or organized under the laws of the United States, any state thereof, or the District of Columbia, (3) an estate the income of which is subject to U.S. federal income taxation regardless of its source or (4) a trust if it (a) is subject to the primary supervision of a U.S. court and all substantial decisions of which are within the control of one or more U.S. persons or (b) has a valid election in effect under applicable Treasury regulations to be treated as a U.S. person.

If a partnership or any entity arrangement treated as a partnership for U.S. federal income tax purposes holds Notes, the U.S. federal income tax treatment of a partner in the partnership will generally depend on the status of the partner and the activities of the partnership. Such partner or partnership should consult its independent tax adviser as to its tax consequences of the acquisition, ownership and disposition of the Notes.

Investors considering the purchase of Notes should consult their own tax advisers with respect to the application of the U.S. federal income tax laws to their particular situations as well as any tax consequences arising under the U.S. federal estate or gift tax rules or under the laws of any state, local or non-U.S. jurisdictions or under any applicable tax treaty.

Certain Contingent Payments

In certain circumstances, we may be obligated to make payments of amounts in excess of the principal amount of the Notes if we repurchase all or any part of the Notes upon the occurrence of a "Change of Control Triggering Event," as described above under "Description of the Notes—Repurchase of Notes Upon a Change of Control Triggering Event" in this offering memorandum or further Additional Amounts as required under, "Description of the Notes—Additional Amounts," which are in excess of Additional Amounts we currently expect to pay as a result of the 5% Indian tax on interest. Our obligation to pay such excess amounts may result in the Notes being treated as contingent payment debt instruments under the applicable Treasury regulations. Under those regulations, a contingency will not cause a debt instrument to be treated as a contingent payment debt instrument if such contingency is remote or incidental. We believe that the likelihood that the Notes will be repurchased upon a Change of Control or that we will be required to pay Additional Amounts, in each case, is remote and, therefore, we intend to take the position for U.S. federal income tax purposes that the Notes are not contingent payment debt instruments for U.S. federal income tax purposes. Such determination by us is binding on all U.S. Holders unless a U.S. Holder discloses its differing position in a statement attached to its timely filed U.S. federal income tax return for the taxable year during which a Note was acquired. Our determination, however, is not binding on the IRS, and the IRS could challenge this determination. If the IRS is successful in such an assertion, the timing and amount of income included and the character of gain recognized with respect to the Notes may be different from the consequences described herein. The remainder of this discussion assumes that the Notes will not be treated as contingent payment debt instruments for U.S. federal income tax purposes.

Payments of Interest

It is anticipated that the Notes will be issued with less than a de minimis amount (as set forth in the applicable Treasury regulations) of original issue discount ("OID"). In such case, interest paid on the Notes

generally will be includible in the gross income of a U.S. Holder as ordinary income at the time such payments are accrued or received (in accordance with the U.S. Holder's regular method of tax accounting for U.S. federal income tax purposes).

The amount of interest taxable as ordinary income will include amounts withheld in respect of Indian taxes on payments of interest and any Additional Amounts paid in respect thereof. Interest income earned with respect to the Notes generally will constitute foreign-source income for U.S. federal income tax purposes and will generally be considered "passive category income," which may be relevant in calculating a U.S. Holder's foreign tax credit limitation. Subject to applicable limitations (including holding period and at risk rules), some of which vary depending upon a U.S. Holder's particular circumstances, Indian income taxes withheld from interest payments on the Notes may be creditable against a U.S. Holder's U.S. federal income tax liability. However, a U.S. Holder, otherwise entitled to benefits thereunder, will not be entitled to claim U.S. foreign tax credits for amounts withheld in excess of the rate applicable to interest under the Convention Between the Government of the United States of America and the Government of the Republic of India for the Avoidance of Double Taxation of Income and the Prevention of Fiscal Evasion with Respect to Taxes on Income. Alternatively, a U.S. Holder may be able to deduct such taxes in computing taxable income for U.S. federal income tax purposes, *provided* such holder elects to deduct rather than credit such taxes for the relevant taxable year. The rules governing U.S. foreign tax credits are complex and a U.S. Holder should consult its tax adviser regarding the availability of U.S. foreign tax credits under a holder's particular circumstances.

Sale, Exchange, Retirement or other Taxable Disposition of the Notes

Upon the sale, exchange, retirement or other taxable disposition of the Notes, a U.S. Holder generally will recognize gain or loss equal to the difference, if any, between the amount realized upon such disposition (not including any amounts attributable to accrued and unpaid interest, which will be taxed as described under "Payments of Interest" above) and the U.S. Holder's tax basis in the Notes. A U.S. Holder's tax basis in the Notes generally will be equal to the U.S. dollar cost of the Notes.

Any such gain or loss generally will be capital gain or loss and will be long-term capital gain or loss if the Notes have been held for more than one year at the time of its sale, exchange, retirement or other taxable disposition of a Note. Certain non-corporate U.S. Holders (including individuals) may be eligible for preferential rates of U.S. federal income tax in respect of long-term capital gains. The deductibility of capital losses is subject to certain limitations.

Any gain or loss recognized on the sale, exchange, retirement or other taxable disposition generally will be treated as U.S.-source gain or loss, as the case may be. If, as described above under "Indian Taxation — Taxation of gains arising on disposal," Indian tax were to be imposed on any gain from the sale, exchange, retirement or other taxable disposition of the Notes, a U.S. Holder may only be able to claim a U.S. foreign tax credit for the amount of Indian tax imposed on the sale, exchange, retirement or other taxable disposition of such Notes to the extent such U.S. Holder has other income from non-U.S. sources. Alternatively, a U.S. Holder may take a deduction for the Indian tax if it does not elect to claim a foreign tax credit for any foreign income taxes paid or accrued during the taxable year. A U.S. Holder is urged to consult its tax adviser regarding the U.S. federal income tax consequences if Indian tax is imposed on the sale, exchange, retirement or other taxable disposition of the Notes, including the availability of the U.S. foreign tax credit under a holder's particular circumstances.

Information Reporting and Backup Withholding

Information returns may be filed with the IRS in connection with payments of interest on the Notes and the proceeds from a sale, exchange, retirement or other taxable disposition of the Notes, unless such U.S. Holder is an exempt recipient, and, when required, provides evidence of such exemption. A U.S. Holder may be subject to

U.S. backup withholding on these payments if such U.S. Holder fails to (i) provide its taxpayer identification number and comply with certain certification procedures or (ii) otherwise establish an exemption from backup withholding. Backup withholding is not an additional tax and the amount of any backup withholding may be allowed as a credit against a U.S. Holder's U.S. federal income tax liability or may entitle a U.S. Holder to a refund, *provided* that the required information is furnished to the IRS in a timely manner.

Information Reporting for Foreign Financial Assets

U.S. Holders may be required to report information to the IRS with respect to their investment in "specified foreign financial assets," subject to certain exceptions (including an exception for Notes held in accounts maintained by certain financial institutions, as discussed below). "Specified foreign financial assets" include any financial accounts maintained by certain foreign financial institutions, as well as any of the following, but only if they are not held in accounts maintained by financial institutions: (i) stocks and securities issued by non-U.S. persons (such as the Notes), (ii) financial instruments and contracts held for investment that have non-U.S. issuers or counterparties, and (iii) interests in foreign entities. U.S. Holders that are individuals are urged to consult their tax advisers regarding the application of this reporting requirement to their ownership of the Notes.

Medicare Tax

A U.S. Holder that is an individual or estate, or a trust that does not fall into a special class of trusts that is exempt from such tax, will be subject to a 3.8% tax on the lesser of (1) the U.S. Holder's "net investment income" for the relevant taxable year and (2) the excess of the U.S. Holder's modified adjusted gross income for the taxable year over a certain threshold (which in the case of individuals will be between US$125,000 and US$250,000, depending on the individual's circumstances). A U.S. Holder's net investment income will generally include its gross interest income and its net gains from the disposition of the Notes, unless such interest income or net gains are derived in the ordinary course of the conduct of a trade or business (other than a trade or business that consists of certain passive or trading activities). A U.S. Holder that is an individual, estate or trust is urged to consult its tax advisers regarding the applicability of the Medicare tax to its income and gains in respect of an investment in the Notes.

PLAN OF DISTRIBUTION

Each of the Initial Purchasers has, pursuant to the Purchase Agreement to be dated the date of this offering memorandum (the "Purchase Agreement"), severally agreed, subject to the provisions of the Purchase Agreement, to purchase, and we have agreed to sell to each such Initial Purchaser, the principal amount of the Notes set forth opposite the name of such Initial Purchaser:

Initial Purchasers	Principal Amount of Notes
Citigroup Global Markets Inc.	US$100,000,000
Deutsche Bank AG, Singapore Branch	US$100,000,000
The Hongkong and Shanghai Banking Corporation Limited	US$100,000,000
Total	**US$300,000,000**

The Initial Purchasers initially propose to offer the Notes at the issue prices listed on the cover page of this offering memorandum. We will be paying a combined management and underwriting commission to the Initial Purchasers and will reimburse the Initial Purchasers in respect of certain of their expenses. We have also agreed to indemnify the Initial Purchasers against certain liabilities incurred in connection with the issue of the Notes. The Purchase Agreement may be terminated in certain circumstances prior to payment of the issue price to us.

The Initial Purchasers and some of their respective affiliates have, from time to time, performed, and may in the future perform certain commercial banking, investment banking and advisory and other banking services for us and our respective affiliates for which they have received or will receive customary fees and expenses. Initial Purchasers and their respective affiliates are full service financial institutions engaged in various activities which may include securities trading, commercial and investment banking, financial advice, investment management, principal investment, hedging, financing and brokerage activities. In the ordinary course of their various business activities, the Initial Purchasers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investments and securities activities may involve our securities and other financial instruments, including the Notes. The Initial Purchasers and their affiliates may make investment recommendations and/or publish or express independent research views (positive or negative) in respect of the Notes or our other financial instruments, and may recommend to their clients that they acquire long and/or short positions in the Notes or other financial instruments.

The Notes are a new issue of securities for which there currently is no market. The Initial Purchasers have advised the Company that they intend to make a market in the Notes as permitted by applicable law. They are not obligated, however, to make a market in the Notes, and any market-making may be discontinued at any time at their sole discretion. Accordingly, no assurance can be given as to the development or liquidity of any market for the Notes.

The Initial Purchasers and/or their respective affiliates may purchase the Notes for their own account and enter into secondary market transactions or derivative transactions relating to the Notes, including, without limitation, sale (or facilitation thereof), stock borrowing or credit or equity-linked derivatives such as asset swaps, repackaging and credit default swaps and/or our other securities or those of our associates at the same time as the offer and sale of the Notes or in secondary market transactions. Such transactions may be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the Notes to which this offering memorandum relates (notwithstanding that such selected counterparties may also be purchasers of the Notes). As a result of such transactions, an Initial Purchaser or its affiliates may hold long or short positions relating to the Notes.

Each Initial Purchaser and their respective affiliates may also engage in investment or commercial banking and other dealings in the ordinary course of business with the Company or its affiliates from time to time and may receive fees and commissions for these transactions. In addition to the transactions noted above, each Initial Purchaser and its affiliates may, from time to time after completion of the offering of the Notes, engage in other transactions with, and perform services for, the Company or its affiliates in the ordinary course of their business. Each Initial Purchaser or its affiliates may also purchase Notes for asset management and/or proprietary purposes but not with a view to distribution or may hold Notes on behalf of clients or in the capacity of investment advisors. While each Initial Purchaser and its affiliates have policies and procedures to deal with conflicts of interests, any such transactions may cause an Initial Purchaser or its affiliates or its clients or counterparties to have economic interests and incentives which may conflict with those of an investor in the Notes. Each Initial Purchaser may receive returns on such transactions and has no obligation to take, refrain from taking or cease taking any action with respect to any such transactions based on the potential effect on a prospective investor in the Notes.

If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Initial Purchasers or any affiliate of the Initial Purchasers is a licensed broker or dealer in that jurisdiction, the offering will be deemed to be made by the Initial Purchasers or such affiliate on behalf of us in such jurisdiction.

The Company expects to make delivery of the Notes, against payment in same-day funds, on or about February 2, 2021 which the Company expects will be the fifth business day following the date of this offering memorandum, referred to as T+5. Under Rule 15c6-1 under the Exchange Act, trades in the secondary market generally are required to settle in two business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade the Notes on the date of pricing or the next succeeding two business days will be required, because the Notes initially will settle in T+5, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement and should consult their own advisers.

Selling Restrictions

Singapore

This offering memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this offering memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than:

(i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA,

(ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018, or

(iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

(1) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(2) where no consideration is or will be given for the transfer;

(3) where the transfer is by operation of law;

(4) as specified in Section 276(7) of the SFA; or

(5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Any reference to the SFA is a reference to the Securities and Futures Act, Chapter 289 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "Relevant Implementation Date"), an offer to the public of any Notes which are the subject of the offering contemplated by this offering memorandum may not be made in that Relevant Member State other than: (a) to any legal entity which is a qualified investor as defined in the Prospectus Directive; (b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the Initial Purchasers; or (c) in any other communications falling within Article 3(2) of the Prospective Directive, *provided* that no such offer of Notes shall require the us or any Initial Purchaser to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer to the public" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

United Kingdom

Each Initial Purchaser has represented, warranted and agreed that (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 ("FSMA")) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to us; and (ii) it has complied, and will comply with, all applicable provisions of the FSMA with respect to anything done by it in relation to the Securities in, from or otherwise involving the United Kingdom.

India

In accordance with applicable provisions of Indian regulations Note are being issued and sold only to (A) (i) non-individual residents of a country which is a FATF Compliant Country (as defined in this Offering Memorandum) or an IOSCO Compliant Country (as defined in this Offering Memorandum); (ii) multilateral and regional financial institutions where India is a member country; (iii) individuals who are from a FATF Compliant Country or an IOSCO Compliant Country if they are foreign equity holders or the Notes are listed outside India or (iv) foreign branches or subsidiaries of Indian banks; and (B) in compliance with requirements specified by the Reserve Bank of India from time to time in relation to external commercial borrowings by Indian entities (including those set out under the ECB Guidelines) and are not otherwise prohibited under any applicable law or regulation from acquiring, owning or selling the Notes. This offering memorandum has not been, nor will be, registered, produced or published as an offer document (whether as a prospectus or a statement in lieu of a prospectus in respect of a public offer or an information memorandum or a private placement offer cum application letter or other offering material in respect of any private placement under the Companies Act, 2013, or the rules framed thereunder, each as amended, or any other applicable Indian laws for the time being in force) with any Registrar of Companies, the Securities and Exchange Board of India, any Indian stock exchanges or any other statutory or regulatory body of like nature in India, and the Notes will not be offered or sold, and have not been offered or sold, in India by means of any document, whether as a principal or agent nor have the Initial Purchasers circulated or distributed, nor will they circulate or distribute, this offering memorandum or any other offering document or material relating to the Notes, directly or indirectly, to any person or the public or any member of the public in India or otherwise generally distributed or circulated in India. The Notes have not been offered or sold to any person, and will not be offered or sold to any person, in India, including in circumstances which would constitute an advertisement, invitation, offer, sale or solicitation of an offer to subscribe for or purchase any securities (whether to the public or by way of private placement) within the meaning of the Companies Act, 2013 and the rules framed thereunder, as amended or any other applicable Indian laws for the time being in force. The acquisition of these Notes by Indian residents may be prohibited under the FEMA and the rules and regulations thereunder.

This offering memorandum or any other material relating to the Notes has not been and will not be reviewed or approved by any Registrar of Companies, the Securities and Exchange Board of India, the Reserve Bank of India or any statutory or regulatory authority in India or by the Indian stock exchanges.

Hong Kong

The Notes may not be offered or sold in Hong Kong, by means of any document, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "SFO") and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "Companies Ordinance") or which do not constitute an offer to the public within the meaning of the Companies Ordinance; and no person has issued or had in its possession for the purposes of issue,

or will issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes that are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Act No. 25 of 1948, as amended; the "FIEL") and may not be offered or sold directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan) or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with the FIEL and any other relevant laws and regulations of Japan.

United States

The Notes have not been and will not be registered under the Securities Act or any state securities laws and may not be offered or sold within the United States (as defined in Regulation S) except in transactions exempt from, or not subject to, the registration requirements of the Securities Act and applicable state securities laws. In addition, until 40 days after the commencement of this offering, an offer or sale of the Notes within the United States by a dealer (whether or not participating in this offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A or another exemption from registration under the Securities Act.

The Initial Purchasers, through their affiliates, acting as selling agents where applicable, propose to offer the Notes in offshore transactions in reliance on Regulation S and in accordance with applicable law and propose to offer the Notes to qualified institutional buyers in the United States pursuant to Rule 144A. Except as permitted under the purchase agreement, the Notes will not be offered, sold or delivered within the United States. Any offer or sale of the Notes in the United States in reliance on Rule 144A will be made by broker-dealer affiliates who are registered as such under the Exchange Act. Terms used in this paragraph have the meanings given to them by Regulation S.

TRANSFER RESTRICTIONS

Because of the following restrictions, purchasers are advised to consult legal counsel prior to making any offer, sale, resale, pledge or other transfer of the Notes.

We have not registered the Notes under the Securities Act and the Notes may only be offered or sold within the United States to "qualified institutional buyers" in reliance on Rule 144A under the Securities Act or (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act. Terms used above and otherwise in this section of this Offering Memorandum have the meanings given to them by Regulation S and Rule 144A.

Each purchaser of Notes will be deemed to have represented and agreed as follows:

(1) You understand and acknowledge that the Notes have not been and will not be registered under the Securities Act or any other applicable securities laws and that the Notes are being offered for resale in transactions not requiring registration under the Securities Act or any other securities laws, including resales pursuant to Rule 144A, and, unless so registered, may not be offered, sold or otherwise transferred except in compliance with the registration requirements of the Securities Act or any other applicable securities laws, pursuant to an exemption therefrom, or in a transaction not subject thereto, and in each case in compliance with the conditions for transfer set forth in paragraph (3) below.

You are not our "affiliate" (as defined in Rule 144 under the Securities Act), you are not acting on our behalf and you are either:

(a) a qualified institutional buyer and are aware that any sale of these Notes to you will be made in reliance on Rule 144A and such acquisition will be for your own account or for the account of another qualified institutional buyer; or

(b) purchasing Notes in an offshore transaction in accordance with Regulation S.

(2) You acknowledge that none of us, the Initial Purchasers or any person representing us or the Initial Purchasers has made any representation to you with respect to us or the offer or sale of any of the Notes, other than the information contained in this Offering Memorandum, which Offering Memorandum has been delivered to you. You represent that you are only relying on this Offering Memorandum in making your investment decision with respect to the Notes. You acknowledge that the Initial Purchasers make no representation or warranty as to the accuracy or completeness of this Offering Memorandum. You have had access to such financial and other information concerning us and the Notes, including an opportunity to ask questions of, and request information from, us and the Initial Purchasers.

(3) You are purchasing Notes for your own account, or for one or more investor accounts for which you are acting as a fiduciary or agent, in each case for investment, and not with a view to, or for offer or sale in connection with, any distribution thereof in violation of the Securities Act, subject to any requirement of law that the disposition of your property or the property of such investor account or accounts be at all times within your or their control and subject to your or their ability to resell such Notes pursuant to Rule 144A, Regulation S or any other available exemption from registration available under the Securities Act. You agree on your own behalf and on behalf of any investor account for which you are purchasing the Notes, and each subsequent holder of these Notes by its acceptance thereof will agree, to offer, sell or otherwise transfer such Notes prior to (x) the date which is one year

(or such shorter period of time as permitted by Rule 144(d) under the Securities Act or any successor provision thereunder) after the later of the date of the original issue of these Notes and the last date on which we or any of our affiliates were the owner of such Notes (or any predecessor thereto) or (y) such later date, if any, as may be required by applicable law (the "Resale Restriction Termination Date") only:

(a) to us or any of our affiliates;

(b) pursuant to a registration statement which has been declared effective under the Securities Act;

(c) for so long as the Notes are eligible for resale pursuant to Rule 144A, to a person you reasonably believe is a qualified institutional buyer that purchases for its own account or for the account of another qualified institutional buyer to whom you give notice that the transfer is being made in reliance on Rule 144A;

(d) outside the United States in offshore transactions meeting the requirements of Rule 904 under the Securities Act; or

(e) pursuant to any other available exemption from the registration requirements of the Securities Act; subject in each of the foregoing cases to any requirement of law that the disposition of the seller's property or the property of an investor account or accounts be within the seller or account's control, and in compliance with any applicable state securities laws.

You acknowledge that we, the Trustee and the Agents reserve the right prior to any offer, sale or other transfer of the Notes pursuant to clause (e) above prior to the Resale Restriction Termination Date of the Notes to require the delivery of an opinion of counsel, certifications and/or other information satisfactory to us, the Trustee and the Agents.

(4) You acknowledge that each Note will contain a legend substantially in the following form:

"THIS NOTE IN RESPECT HEREOF HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES, EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF OR OF A BENEFICIAL INTEREST HEREIN, THE HOLDER (1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) (A "QIB") OR (B) IT IS NOT IN THE UNITED STATES, IS NOT ACQUIRING THIS NOTE FOR THE ACCOUNT OR BENEFIT OF A PERSON WITHIN THE UNITED STATES AND IS ACQUIRING THIS NOTE IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT, AGREES THAT IT WILL NOT, WITHIN THE TIME PERIOD REFERRED TO UNDER RULE 144 UNDER THE SECURITIES ACT AS IN EFFECT ON THE DATE OF THE TRANSFER OF THIS NOTE, RESELL OR OTHERWISE TRANSFER THIS NOTE EXCEPT (A) TO THE ISSUER OR ANY OF ITS AFFILIATES THEREOF, (B) TO A PERSON WHOM THE HOLDER REASONABLY BELIEVES IS A QIB PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QIB IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT, (C) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH RULE 904 UNDER THE SECURITIES ACT, (D) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT OR (E) PURSUANT TO AN

EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND, IN EACH CASE, IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS, AND AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS NOTE OR AN INTEREST HEREIN IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. AS USED HEREIN, THE TERM "OFFSHORE TRANSACTION" AND "UNITED STATES" HAVE THE MEANINGS GIVEN TO THEM BY RULE 902 OF REGULATION S UNDER THE SECURITIES ACT. THE INDENTURE CONTAINS A PROVISION REQUIRING THE REGISTRAR TO REFUSE TO REGISTER ANY TRANSFER OF THIS NOTE IN VIOLATION OF THE FOREGOING RESTRICTIONS."

If you purchase Notes, you will also be deemed to acknowledge that the foregoing restrictions apply to holders of beneficial interests in these Notes as well as to holders of these Notes.

(5) You acknowledge that the Registrar will not be required to accept for registration or transfer any Notes acquired by you, except upon presentation of evidence satisfactory to us and the Agents that the restrictions set forth herein have been complied with.

(6) You acknowledge that:

(a) We, the Initial Purchasers, the Agents and others will rely upon the truth and accuracy of your acknowledgements, representations and agreements set forth herein and you agree that, if any

of your acknowledgements, representations or agreements herein cease to be accurate and complete, you will notify the Initial Purchasers and the Agents promptly in writing; and

(b) if you are acquiring any Notes as fiduciary or agent for one or more investor accounts, you represent with respect to each such account that:

(i) you have sole investment discretion; and

(ii) you have full power to make the foregoing acknowledgements, representations and agreements.

(7) You agree that you will give to each person to whom you transfer these Notes notice of any restrictions on the transfer of the Notes.

(8) You understand that no action has been taken in any jurisdiction (including the United States) by us or the Initial Purchasers that would permit a public offering of the Notes or the possession, circulation or distribution of this offering memorandum or any other material relating to us or the Notes in any jurisdiction where action for that purpose is required. Consequently, any transfer of the Notes will be subject to the selling restrictions set forth under "Plan of Distribution."

(9) The Notes may not be sold or transferred to, and you as a purchaser, by your purchase and holding of the Notes, shall be deemed to have represented and covenanted that you are not acquiring the Notes for or on behalf of, and will not transfer the Notes to, any employee benefit plan that is subject to Title I of the United States Employee Retirement Income Security Act of 1974, as amended ("ERISA"), plans, individual retirement accounts and other arrangements that are subject to Section 4975 of the Internal Revenue Code of 1986, as amended (the "Code"), and entities whose underlying assets are considered to include "plan assets" of such employee benefit plans, plans accounts or arrangements (pursuant to Section 3(42) of ERISA and regulations promulgated under ERISA by the U.S. Department of Labor), unless such purchase and holding will not constitute a non-exempt prohibited transaction under Title I of ERISA and the Code.

LEGAL MATTERS

Certain legal matters with respect to the Notes will be passed upon for us by Shearman & Sterling LLP as to matters of New York law and by L&L Partners (formerly Luthra & Luthra Law Offices) as to matters of Indian law. Certain legal matters will be passed upon for the Initial Purchasers by Milbank LLP as to matters of New York law and by Cyril Amarchand Mangaldas as to matters of Indian law.

INDEPENDENT JOINT AUDITORS

Our audited consolidated financial statements as at and for the year ended March 31, 2020 prepared under Ind-AS and included in this offering memorandum have been audited jointly by Walker Chandiok & Co LLP, Chartered Accountants, and K.S. Rao & Co., Chartered Accountants, each independent auditors, in accordance with the Standards on Auditing as issued by the Institute of Chartered Accountants of India as stated in their reports included elsewhere in this offering memorandum. Our audited consolidated financial statements as at and for the years ended March 31, 2019 and 2018 prepared under Ind-AS and included in this offering memorandum, have been audited jointly by S.R. Batliboi & Associates LLP, Chartered Accountants, and K.S. Rao & Co., Chartered Accountants, each independent auditors, in accordance with the Standards on Auditing as issued by the Institute of Chartered Accountants of India as stated in their reports included elsewhere in this offering memorandum.

Our unaudited interim condensed consolidated financial statements as at and for the six months ended September 30, 2020 prepared under Ind-AS and included in this offering memorandum have been reviewed jointly by Walker Chandiok & Co LLP, Chartered Accountants, and K.S. Rao & Co., Chartered Accountants, in accordance with the Standard on Review Engagements (SRE) 2410 and "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India as stated in their reports included elsewhere in this offering memorandum.

SUMMARY OF CERTAIN DIFFERENCES BETWEEN IND-AS AND IFRS

Our audited consolidated financial statements as of and for the years ended March 31, 2020, 2019 and 2018 and the unaudited reviewed condensed interim consolidated financial statements as of and for the six months ended September 30, 2020 and 2019 have been prepared in accordance with the applicable Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) ("Ind-AS").

The following table summarizes certain of the areas in which differences between Ind-AS and IFRS could be significant to the Company's financial position and results of operations if the financial statements were prepared under IFRS. The matter discussed below should not be expected to reveal all differences between Ind-AS and IFRS that are relevant to the Group or the industry in which it operates. The summary below should not be considered exhaustive and no attempt has been made by the Company to quantify the differences between Ind-AS and IFRS, nor has any attempt been made to identify all disclosure, presentation or classification differences that would affect the manner in which transactions or events are presented in the financial information and therefore no impact assessment of Ind-AS to IFRS has been undertaken by the Company. Had any such quantification or impact assessment been undertaken, other potential significant accounting and disclosure differences may have come to its attention, which are not identified below. These also do not include differences that may arise due to the application of new standards already issued and/or future changes in the standards.

Potential investors should consult their own professional advisors for an understanding of the differences between Ind-AS and IFRS and how those differences might affect the financial information disclosed in this offering memorandum.

No.	Particulars of the Standard	Treatment under IFRS	Treatment under Ind-AS
Presentation of Financial Statement			
1.	Primary requirement	IAS 1 sets out the requirements for presentation of financial statements and the guidelines for their structure and content.	The requirements for the presentation of financial statements are set out in Ind-AS 1 and Schedule III to the Companies Act, 2013.
2.	Statements of comprehensive income/ Statement of profit and loss	With regard to preparation of statement of profit and loss, IFRS provides an option either to follow the single statement approach or to follow the two statement approach. An entity may present a single statement of profit or loss and other comprehensive income; or It may present the profit or loss section in a separate 'statement of profit or loss' which shall immediately precede the 'statement of comprehensive income'.	Ind-AS 1 allows only the single statement approach and does not permit the two statements approach.
3.	Analyses of expenses in the statement of profit and loss	IAS 1 requires an entity to present an analysis of expenses recognized in profit or loss using a classification based on either their nature or their function within the entity, whichever provides the information that is reliable and more relevant.	Ind-AS 1 and Schedule III to the Companies Act, 2013 requires entities to present an analysis of expenses recognized in profit or loss using a classification based on their nature only. There is no option to use functional classification for presentation of expenses.

No.	Particulars of the Standard	Treatment under IFRS	Treatment under Ind-AS
4.	Materiality and aggregation	IAS 1 requires: • each material class of similar items to be presented separately in the financial statements; and • items of a dissimilar nature or function to be presented separately unless they are immaterial Also, IAS 1 states that specific disclosure need not be provided if the same is considered immaterial.	Ind-AS 1 modifies these requirement by adding the words 'except when required by law.' Hence, if the applicable law requires separate presentation/ disclosure of certain items, they are presented separately irrespective of materiality.
5.	Current/ non-current classification on breach of debt covenant	If an entity breaches a provision of a long-term loan arrangement on or before the period end with the effect that the liability becoming payable on demand, the loan is classified as current liability. This is the case even if the lender has agreed, after the period end and before the authorization of the financial statements for issue, not to demand payment as a consequence of the breach. Such waivers granted by the lender or rectification of a breach after the end of the reporting period are considered as non-adjusting event and disclosed.	Ind-AS 1 refers to breach of material provision, instead of any provision. This indicates that breach of immaterial provision may not impact loan classification. Further, under Ind-AS 1, waivers granted by the lender between the end of the reporting period and the date of approval of financial statements for issue are treated as adjusting event. A corresponding change has also been made in Ind-AS 10.
6.	Applicability of EPS	IAS 33 applies only to an entity whose ordinary shares or potential ordinary shares are traded in a public market or that files, or is in the process of filing, its financial statements with a securities commission or other regulatory organization for the purpose of issuing ordinary shares in a public market.	This scope requirement has been deleted in the Ind AS the applicability or exemptions is governed by Companies Act, 2013 and the rules made thereunder. Since there is no exemption from disclosing EPS under the Companies Act, all companies covered under Ind AS need to disclose EPS.
7.	Presentation of EPS in separate financial statements	IAS 33 provides that when an entity presents both consolidated financial statements (CFS) and separate financial statements (SFS), it may give EPS related information in CFS only.	Ind AS 33 requires EPS related information to be disclosed both in CFS and SFS. In CFS, such disclosures will be based on consolidated information. In SFS, such disclosures will be based on information given in the SFS.
First-time Adoption			
8.	Deemed cost exemption for property, plant and equipment	IFRS 1 permits a first-time adopter to measure its items of property, plant and equipment (PPE) at deemed cost at the transition date. The deemed cost can be: • the fair value of the item at the date of transition; or	Ind-AS 101 also provides similar deemed cost exemption. In addition, if there is no change in the functional currency at the transition date, Ind-AS 101 allows a first-time adopter to continue with the Indian GAAP ("previous GAAP") carrying value for all of its property, plant and

No.	Particulars of the Standard	Treatment under IFRS	Treatment under Ind-AS
		• a previous GAAP revaluation at or before transition date, if revaluation met certain criteria. Similar exemption is also available for intangible assets (if active market exists) and investment property measured at cost.	equipment as recognized in the previous GAAP financial statements at the transition date. The same is used as deemed cost at that date, after making adjustment relating to decommissioning liabilities. In consolidated Ind-AS financial statements, the previous GAAP amount of the subsidiary is the amount used in the consolidated financial statements. If an entity avails this option, no further adjustments to the deemed cost so determined is made. Similar exemption is also available for intangible assets and investment property. However, for investment property, fair valuation under deemed cost is not applicable.
9.	Additional exemptions relating to composite leases and land lease	Under IFRS 1, an entity classifies a lease based on the lease terms that are in force at its date of transition based on the circumstances that existed at the inception of the lease. No exemption is available for classification of composite leases.	Ind-AS 101 provides the following additional exemptions: • When a lease includes both land and building elements, a first time adopter may assess the classification of each element as finance or operating lease at the date of transition to Ind-AS based on the facts and circumstances existing as at that date. • If there is any land lease classified as finance lease at the transition date, which was classified differently under previous GAAP, then the first time adopter may recognize asset and liability at fair values on that date. Any difference between those fair values is recognized in retained earnings.
10.	Exchange differences arising on long-term monetary items	IAS 21 requires exchange differences arising on restatement of foreign currency monetary items, both long term and short term, to be recognized in the income statement for the period.	Under the current Indian GAAP, companies recognize exchange differences arising on restatement of foreign currency monetary items, both long term and short term, in the profit or loss immediately. Alternatively, they are given an irrevocable option to defer/

No.	Particulars of the Standard	Treatment under IFRS	Treatment under Ind-AS
			capitalize exchange differences on long-term foreign currency monetary items. For the companies applying second option under Indian GAAP, Ind-AS 101 provides an additional option. They may continue to account for exchange differences arising on long-term foreign currency monetary items recognized in the financial statements for the period ending immediately before the beginning of first Ind-AS reporting period using the previous GAAP accounting policy. Ind-AS 21 does not apply to exchange differences arising on such outstanding long term foreign currency monetary items. However, for any new long term foreign currency monetary items recognized on or after beginning of first Ind-AS reporting period, companies will be required to apply principles of Ind-AS 21.
Leases			
11.	Classification and presentation	IFRS 16, Lessees applies a single recognition and measurement approach for all leases, with options not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low-value assets. Balance Sheet—present right-of-use assets separately from other assets. Lease liabilities are also presented separately from other liabilities. Statement of profit or loss—present interest expense on the lease liability separately from the depreciation charge for the right-of-use asset. Interest expense on the lease liability is a component of finance costs, which paragraph 82(b) of Ind-AS 1 Presentation of Financial Statements requires to be presented separately in the statement of profit or loss. Cash flow statement—For non-financial entities, classify cash payments for the principal portion of the lease liability within financing activities; cash payments	For periods up to March 31, 2019: Lessees apply a dual recognition and measurement approach for all leases. Lessees classify a lease as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. Otherwise a lease is classified as an operating lease. Ind-AS 17 does not deal with Presentation in the balance sheet. In the case of Statement of profit or loss—operating lease expense is presented as a single item. Cash flow statement- for operating leases, cash payments are included within operating activities. The presentation of finance leases is similar to IFRS 16. For periods beginning on or after April 1, 2019: Ind AS-116—Leases has been notified to be applicable for periods beginning on or after April 1, 2019

No.	Particulars of the Standard	Treatment under IFRS	Treatment under Ind-AS
		for the interest portion of the lease liability as per the requirements of IAS 7 Statement of Cash Flows; and short-term lease payments, payments for leases of low-value assets and variable lease payments not included in the measurement of the lease liability within operating activities.	and there are no major differences between IFRS 16 and Ind-AS 116.
Business Combinations			
12.	Common control business combinations	IFRS 3 excludes from its scope business combinations of entities under common control. In practice, companies develop and consistently apply an accounting policy; management can elect to apply the acquisition method or pooling of interest method to a business combination involving entities under common control.	Ind-AS 103 requires business combinations of entities or businesses under common control to be mandatorily accounted using the pooling of method. The application of this method requires the following: (i) The assets and liabilities of the combining entities are reflected at their carrying amounts. (ii) No adjustments are made to reflect fair values, or recognize any new assets or liabilities. (iii) The only adjustments that are made are to harmonize the accounting policies. The financial information in respect of prior periods have to be restated as if the business combination had occurred from the beginning of the earliest period presented, irrespective of the actual date of the combination. (iv) The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee; alternatively, it is transferred to general reserves, if any. (v) The identity of the reserves is preserved and appear in the financial statements of the transferee in the same form in which they appeared in the financial statements of the transferor. (vi) The difference between the amount recorded as share capital issued plus any additional

No.	Particulars of the Standard	Treatment under IFRS	Treatment under Ind-AS
			consideration in cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and presented separately from other capital reserves.
13.	Bargain purchase gains	Where consideration transferred for business acquisition is lower than the acquisition date fair value of net assets acquired, the gain is recognized in the income statement after a detailed reassessment.	Ind-AS 103 requires bargain purchase gain to be recognized in OCI and accumulated in the equity as capital reserve. However, if there is no clear evidence for the underlying reason for bargain purchase, the gain is directly recognized in equity as capital reserve, without routing the same through OCI. A similar change has also been made with regard to bargain purchase gain arising on investment in associate/ JV, accounted for using the acquisition method.
Investment Property			
14.	Use of the fair value model	An entity has an option to apply either the cost model or the fair value model for subsequent measurement of its investment property. If the fair value model is used, all investment properties, including investment properties under construction, are measured at fair value and changes in the fair value are recognized in the profit or loss for the period in which it arises. Under the fair value model, the carrying amount is not depreciated.	Ind-AS 40 does not permit the use of fair value model for subsequent measurement of investment property. It however requires the fair value of the investment property to be disclosed in the notes to financial statements.
Revenue			
15.	Disclosure of reconciliation between revenue and contracted price	IFRS 15 requires extensive qualitative and quantitative disclosures including those on disaggregated revenue, reconciliation of contract balances, performance obligations and significant judgments.	Ind AS 115 contains all the disclosure requirement in IFRS 15. In addition, Ind AS 115 requires presentation of a reconciliation between the amount of revenue recognised in statement of profit or loss and the contracted price showing separately adjustments made to the contracted price, for example, on account of discounts, rebates, refunds, price concessions, incentives, bonus, etc. specifying the nature and amount of each such adjustment separately.

No.	Particulars of the Standard	Treatment under IFRS	Treatment under Ind-AS
Borrowing Cost			
16.	Exchange differences regarded as adjustment to interest costs	In accordance with IAS 23, borrowing cost includes exchange difference arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs. However, it does not provide any specific guidance on measurement of such amounts.	Ind-AS 23 is similar to IAS 23. However, Ind-AS 23 provides following additional guidance on manner of arriving at this adjustment: The adjustment should be of an amount equivalent to the extent to which the exchange loss does not exceed the difference between the costs of borrowing in functional currency when compared to the costs of borrowing in a foreign currency. If there is an unrealized exchange loss which is treated as an adjustment to interest and subsequently there is a realized or unrealized gain in respect of the settlement or translation of the same borrowing, the gain to the extent of the loss previously recognized as an adjustment should also be recognized as an adjustment to interest.
Related Party Disclosures			
17.	Aggregation of transactions for disclosure	IFRS does not provide any guidance on the aggregation of transaction for disclosure.	Ind-AS 24 provides an additional guidance whereby items of similar nature may be disclosed in aggregate by type of related party. However, this is not done in such a way as to obscure the importance of significant transactions. Hence, purchases or sales of goods are not aggregated with purchases or sales of fixed assets. Nor a material related party transaction with an individual party is clubbed in an aggregated disclosure.
Cash Flow Statement			
18.	Classification of interest paid and interest and dividend received	For non-financial entities, interest paid and interest and dividends received may be classified as 'operating activities'. Alternatively, interest paid and interest and dividends received may be classified as 'financing activities' and 'investing activities' respectively.	Ind-AS 7 does not give an option It requires non-financial entities to classify interest paid as part of 'financing activities' and interest and dividend received as 'investing activities'.
Separate Financial Statements			
19.	Use of equity method to account	IAS 27 allows an entity to use the equity method to account for its investments in	Ind-AS 27 does not allow the use of equity method to account for

No.	Particulars of the Standard	Treatment under IFRS	Treatment under Ind-AS
	for investments in subsidiaries, joint ventures and associates in SFS	subsidiaries, joint ventures and associates in its SFS. Consequently, an entity is permitted to account for these investments either: • at cost • in accordance with IFRS 9; or • using the equity method This is an accounting policy choice for each category of investment.	investments in subsidiaries, joint ventures and associates in SFS. The reason for the same that Ind-AS considers equity method to be a manner of consolidation rather than a measurement basis.
20.	Definition of close members of the family of a person	As per IAS 24, "close members of the family" of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity. They may include: • the person's spouse or domestic partner and children; • children of the person's spouse or domestic partner; and • dependents of the person or the person's spouse or domestic partner.	Definition "close members of the family" under Ind AS 24 is similar. In addition to relations prescribed under IFRS, it includes brother, sister, father and mother in sub-paragraph (a).

GENERAL INFORMATION

Consents

We have obtained all necessary consents, approvals and authorizations in connection with the issue and performance of the Notes, including without limitation, consents and approvals of the RBI. The issue of the Notes and the entering into of the Indenture governing the Notes have been authorized by a resolution of our board of directors dated January 20, 2021.

Litigation

Except as disclosed in this offering memorandum, there are no legal or arbitration proceedings or any regulatory investigations against or affecting us or any of our assets, nor are we aware of any pending or threatened proceedings, which are or might be material in the context of this issue of the Notes or to our results of operations.

No Material Adverse Change

Except as disclosed in this offering memorandum, there has been no adverse change, or any development reasonably likely to involve an adverse change, in the condition (financial or otherwise) of our general affairs since September 30, 2020 that is material in the context of the issue of the Notes.

Documents Available

For so long as any of the Notes are outstanding, copies of the Indenture governing the Notes may be inspected free of charge during normal business hours on any weekday (except public holidays) at the specified offices of the Paying Agent.

For so long as any of the Notes are outstanding, copies of our published audited consolidated financial statements for the last two fiscal years, if any, may be obtained during normal business hours on any weekday (except public holidays) at the specified offices of the Paying Agent.

Clearing System and Settlement

The Notes have been accepted for clearance through the facilities of DTC. The following table sets forth certain trading information with respect to the Notes:

	Rule 144A Global Notes	Regulation S Global Notes
CUSIP	36256W AC8	Y3004W AC6
ISIN	US36256WAC82	USY3004WAC65
Common Code	229281569	229281577

Only Notes evidenced by Global Notes have been accepted for clearance through DTC.

Listing of the Notes

Application will be made for the listing and quotation of the Notes on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any statements made, opinions expressed or reports contained herein.

Approval in-principle for the listing and quotation of the Notes on the SGX-ST is not to be taken as an indication of the merits of the offering the Company or associated companies or the Notes. The Notes will be traded on the SGX-ST in a minimum board lot size of US$200,000 for so long as the Notes are listed on the SGX-ST.

For so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, we will appoint and maintain a paying agent in Singapore, where the Notes may be presented or surrendered for payment or redemption, in the event that a Global Note is exchanged for definitive Notes. In addition, in the event that a Global Note is exchanged for definitive Notes, an announcement of such exchange will be made by or on behalf of us through the SGX-ST and such announcement will include all material information with respect to the delivery of the definitive Notes, including details of the paying agent in Singapore.

INDEX TO FINANCIAL STATEMENTS

Unaudited Consolidated Interim Condensed Financial Statements as at and for the Six Months Ended September 31, 2020 and 2019

Review Report F-2

Condensed Balance Sheet. F-6

Condensed Statement of Profit and Loss Including Other Comprehensive Income F-8

Condensed Cash Flow Statement F-9

Condensed Statement of Changes in Equity F-11

Notes to the Condensed Financial Statements F-12

Audited Consolidated Financial Statements as at and for the Years Ended March 31, 2020

Auditors' Report F-36

Balance Sheet F-50

Statement of Profit and Loss Including Other Comprehensive Income F-51

Statement of Changes in Equity F-52

Cash Flow Statement F-53

Notes to the Financial Statements F-55

Audited Consolidated Financial Statements as at and for the Year Ended March 31, 2019

Auditors' Report F-129

Balance Sheet F-140

Statement of Profit and Loss Including Other Comprehensive Income F-141

Statement of Changes in Equity F-142

Cash Flow Statement F-143

Notes to the Financial Statements F-145

Audited Consolidated Financial Statements as at and for the Year Ended March 31, 2018

Auditors' Report F-229

Balance Sheet F-237

Statement of Profit and Loss Including Other Comprehensive Income F-238

Cash Flow Statement F-239

Statement of Changes in Equity F-241

Notes to the Financial Statements F-242

Walker Chandiok & Co LLP
Chartered Accountants
7th Floor, Block III, White House
Kundan Bagh, Begumpet,
Hyderabad 500 016, India

K. S. Rao & Co.,
Chartered Accountants
2nd Floor, 10/2, Khivraj Mansion,
Kasturba Road, Bengaluru 560001,
Karnataka, India

Independent Auditor's Review Report on Unaudited Condensed Interim Consolidated Financial Statements of the Company for the period ended 30 September 2020

To Board of Directors of GMR Hyderabad International Airport Limited

Introduction

1. We have reviewed the accompanying unaudited condensed interim consolidated financial statements of GMR Hyderabad International Airport Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') and joint ventures (refer Annexure 1 for the list of subsidiaries and joint ventures), which comprise the Unaudited Condensed Interim Consolidated Balance Sheet as at 30 September 2020, the Unaudited Condensed Interim Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Unaudited Condensed Interim Consolidated Cash Flow Statement and the Unaudited Condensed Interim Consolidated Statement of Changes in Equity for the six-months period then ended, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as the "Condensed Interim Consolidated Financial Statements"). The Holding Company's Management is responsible for the preparation and presentation of these Condensed Interim Consolidated Financial Statements in accordance with the requirements of Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34') prescribed under Section 133 of the Companies Act, 2013 ("the Act") and other accounting principles generally accepted in India and have been approved by the Holding Company's Board of Directors. Our responsibility is to express a conclusion on these Condensed Interim Consolidated Financial Statements based on our review.

Scope of Review

2. We conducted our review of the Condensed Interim Consolidated Financial Statements in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

3. Based on our review conducted as above, and upon consideration of the review reports of the other auditors on separate financial statements of the subsidiaries and joint ventures as referred to in paragraph 7 below, nothing has come to our attention that causes us to believe that the accompanying Condensed Interim Consolidated Financial Statements are not prepared, in all material aspects, in accordance with the requirements of Ind AS 34, prescribed under Section 133 of the Act and other accounting principles generally accepted in India.

Walker Chandiok & Co LLP
Chartered Accountants
7th Floor, Block III, White House
Kundan Bagh, Begumpet,
Hyderabad 500 016, India

K. S. Rao & Co.,
Chartered Accountants
2nd Floor, 10/2, Khivraj Mansion,
Kasturba Road, Bengaluru 560001,
Karnataka, India

Emphasis of Matter

4. **Impact on account of Covid-19 outbreak**
We draw attention to Note 2.4 of the accompanying Condensed Interim Consolidated Financial Statements, which describes the uncertainties due to the outbreak of Covid-19 pandemic and management's evaluation of the impact on the Condensed Interim Consolidated Financial Statements of the Company as at the balance sheet date.

5. **Utilization of funds from Passenger Service Fee (Security Component) Fund ("PSF(SC) Fund")**
We draw attention to Note 8(I)(B)(xxii) to the Condensed Interim Consolidated Financial Statements, which describes the uncertainty relating to outcome of litigation pertaining to the costs related to procurement of security equipment, construction of residential quarters for Central Industrial Security Force deployed at the Rajiv Gandhi International Airport, Hyderabad and other costs which have been adjusted from the PSF(SC) Fund up to 31 March 2018, pending final decision from the Hon'ble High Court of Telangana and the consequential instructions from the Ministry of Civil Aviation.

6. **Recoverability of upfront fee receivable**
We draw attention to Note 25 to the accompanying Condensed Interim Consolidated Financial Statements, which describes the uncertainty relating to recoverability of the upfront fee of Rs. 63.00 crores paid to the Yes Bank Limited ("the Bank") regarding a facility of Rs. 4,200.00 crores sanctioned in 2019. In view of certain developments, the Bank has expressed their inability to extend the said loan, and accordingly the arrangement was terminated on 21 April 2020. The upfront fee has been considered as recoverable on the basis of the Bank's acknowledgement of receipt of request from the Company for refund of the aforesaid upfront fees and the independent legal opinion obtained by the management.

Our conclusion is not modified in respect of these matters.

Other Matters

7. We did not jointly review the interim financial statements of 2 subsidiaries, included in the Condensed Interim Consolidated Financial Statements, whose interim financial statements reflects total assets of ₹462.33 crores as at 30 September 2020 and total revenues of ₹19.25 crores, total net loss after tax of ₹(5.50) crores, total comprehensive income of ₹(5.56) crores and net cash outflow of ₹13.49 crores for six months period ended 30 September 2020. The condensed interim financial statements also includes the Group's share of net profit after tax of ₹0.04 crores and total comprehensive income of ₹0.04 crores, for the period ended on 30 September 2020, as considered in these Condensed Interim Consolidated Financial Statements, in respect of a joint venture, whose interim financial statements have not been jointly reviewed by us. These interim financial statements have been reviewed solely by K.S Rao & Co., ('KSR') one of the joint auditors of the Holding Company, whose reports have been furnished to us by the management and Walker Chandiok & Co LLP's conclusion so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports issued by KSR in their individual capacity.

We did not review the interim financial statements of 3 subsidiaries included in the Condensed Interim Consolidated Financial Statements, whose interim financial statements reflects total assets of ₹743.02 crores as at 30 September 2020 and total revenues of ₹171.29 crores and total net loss after tax of ₹(19.83) crores, total comprehensive (loss) of ₹(19.93) crores and net cash outflow of ₹0.17 crores for the six-month period ended 30 September 2020. The condensed interim financial statements also includes the Group's share of net loss after tax of ₹(0.45) crores and total comprehensive income of ₹(0.47) crores, for the period ended on 30 September 2020, as considered in these Condensed Interim Consolidated Financial Statements, in respect of a joint venture, whose interim financial statements have not been reviewed by us. These interim financial statements have been reviewed by other auditors whose review reports have been furnished to us by the management, and our conclusion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture is based solely on the review reports of such other auditors.

Our conclusion is not modified in respect of these matters with respect to our reliance on the work done by and the reports of the other auditors.

Walker Chandiok & Co LLP
Chartered Accountants
7th Floor, Block III, White House
Kundan Bagh, Begumpet,
Hyderabad 500 016, India

K. S. Rao & Co.,
Chartered Accountants
2nd Floor, 10/2, Khivraj Mansion,
Kasturba Road, Bengaluru 560001,
Karnataka, India

Restriction on distribution or use

8. These Condensed Interim Consolidated Financial Statements have been prepared by the management solely for the purpose of inclusion in the Preliminary Offering Memorandum and Final Offering Memorandum (collectively referred to as "Offer Document") to be filed with the Singapore Exchange Securities Trading Limited in connection with the proposed issue of US Dollar denominated senior secured notes and therefore it may not be suitable for any other purpose. This review report is issued solely for the aforementioned purpose and for inclusion in the aforesaid Offer Document and accordingly should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Further, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

Digitally signed by Sanjay Kumar Jain
Date: 2021.01.21 21:10:14 +05:30

Sanjay Kumar Jain
Partner
Membership No.: 207660
UDIN: 21207660AAAAAL4447

Place: Hyderabad
Date: 21 January 2021

For K. S. Rao & Co.,
Chartered Accountants
Firm Registration No.: 003109S

Hitesh Kumar P Jain
Digitally signed by Hitesh Kumar P Jain
Date: 2021.01.21 19:44:19 +05'30'

Hitesh Kumar P
Partner
Membership No.: 233734
UDIN: 21233734AAAAAV1726

Place: Bengaluru
Date: 21 January 2021

Walker Chandiok & Co LLP
Chartered Accountants
7th Floor, Block III, White House
Kundan Bagh, Begumpet,
Hyderabad 500 016, India

K. S. Rao & Co.,
Chartered Accountants
2nd Floor, 10/2, Khivraj Mansion,
Kasturba Road, Bengaluru 560001,
Karnataka, India

Annexure 1

List of entities included in the Statement

Subsidiaries

i. GMR Hospitality and Retail Limited
ii. GMR Air Cargo and Aerospace Engineering Limited
iii. GMR Hyderabad Aerotropolis Limited
iv. GMR Hyderabad Aviation SEZ Limited
v. GMR Aero Technic Limited

Joint ventures

i. Laqshya Hyderabad Airport Media Private Limited
ii. GMR Logistics Park Private Limited

GMR Hyderabad International Airport Limited

CIN:U62100TG2002PLC040118

Unaudited Condensed Interim Consolidated Balance sheet as at September 30, 2020

(All amounts in Rupees Crores, except per share data and when otherwise stated)

	As at September 30, 2020 (Unaudited)	As at March 31, 2020 (Audited)
Assets		
Non-current assets		
Property, plant and equipment	2,619.30	2,707.86
Capital work-in-progress	1,712.63	1,335.26
Right of use asset	76.70	74.47
Intangible assets	88.50	61.92
Intangible assets under development	2.03	1.24
Investment in joint venture	35.92	19.25
Financial assets		
- Loans	18.99	17.37
- Other financial assets	747.86	865.00
Non-current tax assets	49.96	51.88
Deferred tax asset (net)	242.93	252.83
Other non-current assets	804.26	739.30
	6,399.08	**6,126.38**
Current assets		
Inventories	99.57	81.85
Financial assets		
- Investments	687.14	1,241.10
- Trade receivables	122.02	178.77
- Cash and cash equivalents	421.12	270.98
- Bank balances other than cash and cash equivalents	418.89	680.93
- Loans	213.86	217.13
- Other financial assets	165.61	147.63
Current tax assets	-	1.71
Other current assets	75.86	55.33
	2,204.07	**2,875.43**
Assets held for sale	**-**	**58.45**
Total Assets	**8,603.15**	**9,060.26**
Equity and liabilities		
Equity		
Equity share capital	378.00	378.00
Other equity		
- Capital reserve	107.00	107.00
- Retained earnings	1,009.01	1,214.29
- Cash flow hedge reserve	162.79	165.06
	1,656.80	**1,864.35**
Liabilities		
Non-current liabilities		
Financial liabilities		
- Borrowings	5,559.42	5,685.81
- Lease liabilities	85.82	83.05
- Other financial liabilities	233.12	229.92
Government grants	32.95	35.59
Long-term provisions	4.01	1.47
Deferred tax liability (net)	4.99	6.54
Other non-current liabilities	93.52	68.43
	6,013.83	**6,110.81**

GMR Hyderabad International Airport Limited
CIN:U62100TG2002PLC040118
Unaudited Condensed Interim Consolidated Balance sheet as at September 30, 2020
(All amounts in Rupees Crores, except per share data and when otherwise stated)

	As at September 30, 2020 (Unaudited)	As at March 31, 2020 (Audited)
Current liabilities		
Financial liabilities		
- Short-term borrowings	55.56	19.92
- Trade payables		
-Total outstanding dues of micro and small enterprises	12.70	11.58
-Total outstanding dues of creditors other than micro and small enterprises	165.78	157.17
- Other financial liabilities	588.51	731.60
Government grants	5.27	5.27
Other current liabilities	51.13	59.35
Short-term provisions	22.85	22.99
Current tax liability (net)	30.72	35.87
	932.52	**1,043.75**
Liabilities classified as held for sale	-	41.35
Total liabilities	**6,946.35**	**7,195.91**
Total Equity and Liabilities	**8,603.15**	**9,060.26**

The accompanying notes are an integral part of these Unaudited Condensed Interim Consolidated Financial Statements

As per our review report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
ICAI Firm registration number: 001076N/N500013

Digitally signed by Sanjay Kumar Jain
Date: 2021.01.21 21:05:14 +05:30

Sanjay Kumar Jain
Partner
Membership No.: 207660

Place: Hyderabad
Date: January 21, 2021

For K.S. Rao & Co.,
Chartered Accountants
ICAI Firm registration number: 003109S

Hitesh Kumar P Jain
Digitally signed by Hitesh Kumar P Jain
Date: 2021.01.21 19:31:47 +05'30'

Hitesh Kumar P
Partner
Membership No.: 233734

Place: Bengaluru
Date: January 21, 2021

For and on behalf of the Board of Directors of
GMR Hyderabad International Airport Limited

BUCHISA NYASI RAJU GRANDHI

GBS Raju
Managing Director
DIN: 00061686

CHALLA PRASANNA
Digitally signed by CHALLA PRASANNA
Date: 2021.01.21 17:35:27 +05'30'

C Prasanna
Director
DIN: 01630300

PRADEEP PANICKER
Digitally signed by PRADEEP PANICKER
Date: 2021.01.21 15:32:56 +05'30'

Place: New Delhi
Date: January 21, 2021

Pradeep Panicker
Chief Executive Officer

P ANAND KUMAR
Digitally signed by P ANAND KUMAR
Date: 2021.01.21 15:46:40 +05'30'

Anand Kumar P
Chief Financial Officer

Place: Hyderabad
Date: January 21, 2021

ANUP KUMAR SAMAL
Digitally signed by ANUP KUMAR SAMAL
Date: 2021.01.21 15:51:34 +05'30'

Anup Kumar Samal
Company Secretary

Place: Hyderabad
Date: January 21, 2021

GMR Hyderabad International Airport Limited
CIN:U62100TG2002PLC040118
Unaudited Condensed Interim Consolidated Statement of Profit and Loss for the six months period ended September 30, 2020
(All amounts in Rupees Crores, except per share data and when otherwise stated)

	For the six months period ended September 30, 2020 (Unaudited)	For the six months period ended September 30, 2019 (Unaudited)
Income		
Revenue from operations	291.43	1,013.56
Other income	91.30	57.72
	382.73	**1,071.28**
Expenses		
Concession fee	8.33	32.78
Purchase of traded goods	0.42	38.45
Changes in inventory of traded goods	2.17	(7.62)
Employee benefits expense	110.89	108.95
Finance costs	137.88	130.64
Depreciation and amortization expenses	117.53	104.49
Other expenses	210.63	252.88
Total expenses	**587.85**	**660.57**
Profit / (loss) before share of profit in joint ventures and tax	**(205.12)**	**410.71**
Share of profit/(loss) in joint ventures	(0.40)	1.88
Profit / (loss) before tax	**(205.52)**	**412.59**
Tax expense		
Current tax	0.00	66.24
Deferred tax expense/ (credit)	(0.83)	(15.04)
Minimum alternate tax credit entitlement	0.34	(29.11)
Total tax expense	**(0.49)**	**22.09**
Profit / (loss) for the period	**(205.03)**	**390.50**
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Re-measurement losses on defined benefit plans	(0.22)	(1.64)
Share of other comprehensive income in joint ventures	(0.03)	0.00
Income tax relating to items that will not be reclassified to profit or loss	0.00	0.05
Items that will be reclassified to profit or loss		
Cash flow hedge reserve	5.97	140.01
Income tax relating to items that will be reclassified to profit or loss	(8.24)	(18.05)
Total other comprehensive income / (loss) for the period	**(2.52)**	**120.37**
Total comprehensive income / (loss) for the period, net of tax	**(207.55)**	**510.87**
Profit attributable to		
Equity holders of the parent	(205.03)	390.50
Other comprehensive income attributable to		
Equity holders of the parent	(2.52)	120.37
Total comprehensive income attributable to		
Equity holders of the parent	(207.55)	510.87
Earnings per equity share		
Basic and diluted (non-annualised)	(5.42)	10.33
Nominal value per share	10.00	10.00

The accompanying notes are an integral part of these Unaudited Condensed Interim Consolidated Financial Statements.

As per our review report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
ICAI Firm registration number: 001076N/N500013

Digitally signed by Sanjay Kumar Jain
Date: 2021.01.21 21:05:14 +05:30

Sanjay Kumar Jain
Partner
Membership No.: 207660

Place: Hyderabad
Date: January 21, 2021

For K.S. Rao & Co.,
Chartered Accountants
ICAI Firm registration number: 003109S

Hitesh Kumar P Jain
Digitally signed by Hitesh Kumar P Jain
Date: 2021.01.21 19:33:20 +05'30'

Hitesh Kumar P
Partner
Membership No.: 233734

Place: Bengaluru
Date: January 21, 2021

For and on behalf of the Board of Directors of
GMR Hyderabad International Airport Limited

BUCHISA NYASI RAJU GRANDHI

GBS Raju
Managing Director
DIN: 00061686

CHALLA PRASANNA
Digitally signed by CHALLA PRASANNA
Date: 2021.01.21 17:36:31 +05'30'

C Prasanna
Director
DIN: 01630300

PRADEEP PANICKER
Digitally signed by PRADEEP PANICKER
Date: 2021.01.21 15:34:54 +05'30'

Place: New Delhi
Date: January 21, 2021

Pradeep Panicker
Chief Executive Officer

P ANAND KUMAR
Digitally signed by P ANAND KUMAR
Date: 2021.01.21 15:47:28 +05'30'

Anand Kumar P
Chief Financial Officer

Place: Hyderabad
Date: January 21, 2021

ANUP KUMAR SAMAL
Digitally signed by ANUP KUMAR SAMAL
Date: 2021.01.21 15:52:39 +05'30'

Anup Kumar Samal
Company Secretary

Place: Hyderabad
Date: January 21, 2021

GMR Hyderabad International Airport Limited

CIN:U62100TG2002PLC040118

Unaudited Condensed Interim Consolidated Cash Flow Statement for the six months period ended September 30, 2020

(All amounts in Rupees Crores, except per share data and when otherwise stated)

	For the period ended September 30, 2020 (Unaudited)	For the period ended September 30, 2019 (Unaudited)
Cash flow from operating activities		
Profit / (loss) before tax	**(205.52)**	**412.59**
Adjustment to reconcile (loss)/ profit before tax to net cash flows		
Share of (profit)/loss in joint ventures	0.40	(1.88)
Depreciation and amortization expenses	117.53	104.49
Bad debts written off	0.21	0.13
Income from straightlinig of lease revenue	(3.94)	(5.07)
Inventories written off	0.18	0.24
Amortisation of prepaid expenses	0.04	0.25
Amortisation of deferred income	(1.24)	(3.26)
Provision for doubtful advances / debts	-	0.24
Unrealised foreign exchange loss / (gain)	2.53	(0.05)
Loss / (gain) on sale of property, plant and equipment	0.35	(0.40)
Interest income	(76.13)	(38.63)
Gain on sale of financial assets (mutual funds)	(3.90)	(7.05)
Provision no longer required, written back	(4.40)	(1.64)
Finance costs	137.88	130.64
Income from government grants	(2.64)	(2.64)
Loss/(gain) on fair valuation of financial assets (mutual funds)	0.33	(0.58)
Operating (loss) / profit before working capital changes	**(38.32)**	**587.38**
Working capital adjustments:		
Changes in trade payables	11.61	15.04
Changes in other liabilities	17.89	15.44
Changes in other financial liabilities	31.64	(14.26)
Changes in provisions	2.18	3.90
Changes in trade receivables	56.29	(1.62)
Changes in inventories	(17.90)	(13.34)
Changes in other assets	(70.58)	(95.30)
Changes in other financial assets	(44.83)	(54.06)
Changes in loans	1.65	(4.71)
Cash (used in) / generated from operations	**(50.37)**	**438.47**
Direct taxes paid (net)	(0.85)	(65.00)
Net cash (used in) / generated from operating activities (A)	**(51.22)**	**373.47**
Cash flows from investing activities		
Purchase of property plant and equipment, including capital work in progress, capital advances and intangible assets under development	(534.09)	(453.98)
Proceeds from sale of property, plant and equipment	0.71	0.40
Repayment of loans by joint venture	-	0.32
Purchase of current investments	(3,194.09)	(6,685.86)
Proceeds from sale of current investments	3,751.62	6,454.64
Interest received	117.99	36.44
Movement in other bank balances	262.04	(1,572.37)
Net cash generated from / (used in) investing activities (B)	**404.18**	**(2,220.41)**

GMR Hyderabad International Airport Limited

CIN:U62100TG2002PLC040118

Unaudited Condensed Interim Consolidated Cash Flow Statement for the six months period ended September 30, 2020

(All amounts in Rupees Crores, except per share data and when otherwise stated)

	For the period ended September 30, 2020 (Unaudited)	For the period ended September 30, 2019 (Unaudited)
Cash flows from financing activities		
Proceeds from long-term borrowings	-	2,067.15
Repayment of long-term borrowings	(0.77)	(4.31)
Proceeds/(repayment)of short term borrowings, net	35.64	(18.21)
Interest paid including borrowing cost	(232.85)	(200.34)
Payment of lease rentals	(4.94)	(0.78)
Net cash (used in) / generated from financing activities (C)	**(202.92)**	**1,843.51**
Net increase / (decrease) in cash and cash equivalents (A + B + C)	150.04	(3.43)
Cash and cash equivalents at the beginning of the year	329.42	395.08
Effects of exchange differences on cash & cash equivalents held in foreign currency	0.10	(0.02)
Adjustment on loss of control in subsidiary (refer note: 23)	(58.44)	-
Cash and cash equivalents at the end of the period	**421.12**	**391.63**
Components of cash and cash equivalents		
Cash on hand	1.03	0.43
Balances with banks		
- in current account	76.02	237.54
- in exchange earner foreign currency account	12.07	1.69
- in deposit account	332.00	151.02
- in escrow account	-	0.02
Cash in transit	-	0.93
Total cash and cash equivalents	**421.12**	**391.63**

The accompanying notes are an integral part of these Unaudited Condensed Interim Consolidated Financial Statements.

As per our review report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
ICAI Firm registration number: 001076N/N500013

Digitally signed by Sanjay Kumar Jain
Date: 2021.01.21 21:05:14 +05:30

Sanjay Kumar
Partner
Membership No.: 207660

Place: Hyderabad
Date: January 21, 2021

For K.S. Rao & Co.,
Chartered Accountants
ICAI Firm registration number: 003109S

Hitesh Kumar P Jain
Digitally signed by Hitesh Kumar P Jain
Date: 2021.01.21 19:34:50 +05'30'

Hitesh Kumar P
Partner
Membership No.: 233734

Place: Bengaluru
Date: January 21, 2021

For and on behalf of the Board of Directors of
GMR Hyderabad International Airport Limited

BUCHISAN YASI RAJU GRANDHI

GBS Raju
Managing Director
DIN: 00061686

Place: New Delhi
Date: January 21, 2021

P ANAND KUMAR
Digitally signed by P ANAND KUMAR
Date: 2021.01.21 15:48:11 +05'30'

Anand Kumar P
Chief Financial Officer

Place: Hyderabad
Date: January 21, 2021

CHALLA PRASANNA
Digitally signed by CHALLA PRASANNA
Date: 2021.01.21 17:37:26 +05'30'

C Prasanna
Director
DIN: 01630300

PRADEEP PANICKER
Digitally signed by PRADEEP PANICKER
Date: 2021.01.21 15:36:20 +05'30'

Pradeep Panicker
Chief Executive Officer

ANUP KUMAR SAMAL
Digitally signed by ANUP KUMAR SAMAL
Date: 2021.01.21 15:53:36 +05'30'

Anup Kumar Samal
Company Secretary

Place: Hyderabad
Date: January 21, 2021

GMR Hyderabad International Airport Limited
CIN:U62100TG2002PLC040118
Unaudited Condensed Interim Consolidated Statement of Changes in Equity for the six months period ended September 30, 2020
(All amounts in Rupees Crores, except per share data and when otherwise stated)

a. Equity share capital:

	No.	Amount
Equity shares of Rs.10 each issued, subscribed and fully paid		
As at April 1, 2019 (Audited)	378,000,000	378.00
Issue of shares	-	-
As at September 30, 2019 (Unaudited)	**378,000,000**	**378.00**
As at April 1, 2020 (Audited)	378,000,000	378.00
Issue of shares during the period	-	-
As at September 30, 2020 (Unaudited)	**378,000,000**	**378.00**

b. Other equity

	Attributable to the equity holders of the parent			
	Reserves and surplus		Other reserves	Total
	Capital reserve*	Retained earnings	Cash flow hedge reserve	
As at April 1, 2019 (Audited)	**107.00**	**668.43**	**31.72**	**807.15**
Profit for the period	-	390.50	-	390.50
Other comprehensive income	- -	1.59	121.96	120.37
As at September 30, 2019 (Unaudited)	**107.00**	**1,057.34**	**153.68**	**1,318.02**
As at April 1, 2020 (Audited)	**107.00**	**1,214.29**	**165.06**	**1,486.35**
Loss for the period	-	(205.03)	-	(205.03)
Other comprehensive income	-	(0.25)	(2.27)	(2.52)
As at September 30, 2020 (Unaudited)	**107.00**	**1,009.01**	**162.79**	**1,278.80**

*GMR Hyderabad International Airport Limited ("the Company") has received a contribution of Rs. 107.00 crore from its shareholder i.e. Government of Telangana as per the terms of State Support Agreement for construction of Airport. This contribution received from Government of Telangana has been recognised as capital contribution from a shareholder of the Company.

The accompanying notes are an integral part of these Unaudited Condensed Interim Consolidated Financial Statements.

As per our review report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
ICAI Firm registration number: 001076N/N500013

Digitally signed by Sanjay Kumar Jain Date: 2021.01.21 21:05:14 +05:30

Sanjay Kumar Jain
Partner
Membership No.: 207660

Place: Hyderabad
Date: January 21, 2021

For K.S.Rao & Co.,
Chartered Accountants
ICAI Firm registration number: 0003109S

Hitesh Kumar P Jain Digitally signed by Hitesh Kumar P Jain Date: 2021.01.21 19:37:21 +05'30'

Hitesh Kumar P
Partner
Membership No.: 233734

Place: Bengaluru
Date: January 21, 2021

For and on behalf of the Board of Directors of
GMR Hyderabad International Airport Limited

BUCHISA NYASI RAJU GRANDHI

GBS Raju
Managing Director
DIN: 00061686

Place: New Delhi
Date: January 21, 2021

CHALLA PRASANNA Digitally signed by CHALLA PRASANNA Date: 2021.01.21 17:38:25 +05'30'

C Prasanna
Director
DIN: 01630300

PRADEEP PANICKER Digitally signed by PRADEEP PANICKER Date: 2021.01.21 15:44:54 +05'30'

Pradeep Panicker
Chief Executive Officer

P ANAND KUMAR Digitally signed by P ANAND KUMAR Date: 2021.01.21 15:48:52 +05'30'

Anand Kumar P
Chief Financial Officer

Place: Hyderabad
Date: January 21, 2021

ANUP KUMAR SAMAL Digitally signed by ANUP KUMAR SAMAL Date: 2021.01.21 15:54:31 +05'30'

Anup Kumar Samal
Company Secretary

Place: Hyderabad
Date: January 21, 2021

GMR Hyderabad International Airport Limited
CIN: U62100TG2002PLC040118
Summary of significant accounting policies and other explanatory information for the six months period ended 30 September 2020
(All amounts in Rupees crore, except per share data and when otherwise stated)

1. Corporate information

GMR Hyderabad International Airport Limited ('GHIAL', 'Company' or 'the Holding Company') is a Public Limited Company domiciled in India. The Holding Company along with its subsidiaries and joint ventures herein are collectively referred as "the Group". GHIAL was incorporated in 2002 under the provisions of the erstwhile Companies Act, 1956, having its registered office at GMR Aero Towers, Rajiv Gandhi International Airport, Shamshabad, Hyderabad – 500 108. The Holding Company is engaged in the business of providing Airport Management Services on a Build, Owned, Operate and Transfer, and only operate model. Presently, the Company is managing the operations of Rajiv Gandhi International Airport ("RGIA" or "Airport") at Hyderabad, India and the airport in Bidar in Karnataka, India. GMR Airports Limited ('GAL') a subsidiary of GMR Infrastructure Limited ('GIL'), holds majority shareholding in GHIAL.

The Group is engaged in operation of airport infrastructure and other allied service such as cargo handling, development of airport city and SEZ area near airport, trading of goods in duty free area of airport, security services, hospitality services, development of logistics park and maintenance, repair and overhaul facility (MRO) of aircraft near and around the RGIA.

These Unaudited Condensed Interim Consolidated Financial Statements for the six months period ended September 30, 2020 are approved by Company's Board of Directors vide a circular resolution dated January 21, 2021.

2.1 Basis of preparation

These Unaudited Condensed Interim Consolidated Financial Statements comprises of the Unaudited Condensed Interim Consolidated Balance sheet as at 30 September 2020, the Unaudited Condensed Interim Consolidated Statement of Profit and Loss (including other comprehensive income), Unaudited Condensed Interim Consolidated Cash Flow Statement, Unaudited Condensed Interim Consolidated Statement of Changes in Equity and a summary of significant accounting policies and other explanatory notes (collectively the "Unaudited Condensed Interim Consolidated Financial Statements").

These Unaudited Condensed Interim Consolidated Financial Statements for the period ended 30 September 2020 have been prepared by the management for the purpose of inclusion in the Preliminary Offering Memorandum and Final Offering Memorandum (collectively referred to as "Offer Document") to be filed with the Singapore Exchange Securities Trading Limited in connection with the proposed issue of US Dollar denominated senior secured notes.

These Unaudited Condensed Interim Consolidated Financial Statements have been prepared as per the recognition and measurement principles of Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting" issued by the Institute of Chartered Accountants of India (ICAI) and applicable Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ("the Act") and other accounting principles generally accepted in India. These Unaudited Condensed Interim Consolidated Financial Statements do not include all the information and disclosures that would otherwise be required in a full set of financial statements and should be read in conjunction with the consolidated financial statements for the year ended 31 March 2020.

Accounting policies have been consistently applied, except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The Consolidated Financial Statements are presented in Indian Rupees ("Rs.") and all the values are rounded to the nearest Crore, except per share data, per unit data and when otherwise indicated.

2.2 Significant accounting policies

The accounting policies followed in preparation of these Unaudited Condensed Interim Consolidated Financial Statements are consistent with those followed in the most recent annual consolidated financial statements of the Group, i.e. for the year ended 31 March 2020.

The Group has followed the same accounting judgments, estimates and assumptions in preparation of these Unaudited Condensed Interim Consolidated Financial Statements as those followed in preparation of the annual consolidated financial statements as at the year ended March 31, 2020.

2.3 Basis of Consolidation

(i) Subsidiary

Subsidiary includes the entity over which the Group has control. The Group controls an entity when it is exposed or has right to variable return from its involvement with the entity, and has the ability to affect those returns through its power (that is, existing rights that give it the current ability to direct the relevant activities) over the entity. The Group re-assesses whether or not it controls the entity, in case the under-lying facts and circumstances indicate that there are changes to above mentioned parameters that determine the existence of control.

Subsidiary is fully consolidated from the date on which control is transferred to the Group, and they are deconsolidated from the date when control ceases.

(ii) Joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Joint ventures are accounted for from the date on which Group obtains joint control over the joint venture.

(iii) Method of consolidation

Accounting policies of the respective individual subsidiary, joint venture are aligned wherever necessary, so as to ensure consistency with the accounting policies that are adopted by the Group under Ind AS.

The financial statements of subsidiary are fully consolidated on a line-by-line basis. Intragroup balances and transactions, and income and expenses arising from intra-group transactions, are eliminated while preparing the said financial statements. The un-realised gains resulting from intra-group transactions are also eliminated. Similarly, the un-realised losses are eliminated, unless the transaction provides evidence as to impairment of the asset transferred.

The Group's investments in its joint venture is accounted for using the equity method. Accordingly, the investments are carried at cost as adjusted for post-acquisition changes in the Group's share of the net assets of investee. Any excess of the cost over the Group's share of net assets in its joint venture at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment. The un-realised gains / losses resulting from transactions (including sale of business) with joint ventures are eliminated against the investment to the extent of the Group's interest in the investee. However, un-realised losses are eliminated only to the extent that there is no evidence of impairment.

At each reporting date, the Group determines whether there is objective evidence that the investment is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of investment and its carrying value.

Entities considered in these financial statements as Subsidiaries are listed below:

Name	Principal activities	Place and Country of operation	% equity interest as	
			September 30, 2020	March 31, 2020
GMR Hyderabad Aerotropolis Limited (GHAL)##	Development of commercial property	Hyderabad, India	100%	100%
GMR Hyderabad Aviation SEZ Limited (GHASL)	Development of SEZ	Hyderabad, India	100%	100%
GMR Air Cargo and Aerospace Engineering Limited (GACAEL)	Cargo handling operations and operation of maintenance, repair and overhaul (MRO) of aircrafts at Airport	Hyderabad, India	100%	100%
GMR Hospitality and Retail Limited (GHRL)	Operation of business hotel and duty free	Hyderabad, India	100%	100%
GMR Aero Technic Limited (GATL)	Consulting related to MRO Operations	Hyderabad, India	100%	100%
GMR Logistics Park Private Limited (GLPPL)##	Development of logistics park	Hyderabad, India	-	100%

Information about joint ventures

Name	Principal activities	Country of Incorporation	% equity interest as at	
			September 30, 2020	March 31, 2020
Laqshya Hyderabad Airport Media Private Limited (LHAMPL)	Advertisement	India	49%	49%
GMR Logistics Park Private Limited (GLPPL) ##	Development of logistic park	India	30%	-

On December 20, 2018, GHAL has incorporated a wholly owned subsidiary GMR Logistics Park Private Limited. During the current period, pursuant to the Subscription Agreement and Shareholders' Agreement executed by and amongst GMR Logistics Park Private Limited (GLPPL), GMR Hyderabad Aerotropolis Limited (GHAL) and ESR Hyderabad 1 Pte. Limited, Singapore (ESR), GLPPL allotted 4,13,35,182 equity shares of Rs. 10 each at par to ESR and 16,965,078 equity shares of Rs. 10 each at par to GHAL on private placement basis by passing a circular resolution dated April 16, 2020. Consequently, the percentage shareholding of ESR and GHAL in GLPPL stands at 70% and 30% respectively, as a result of which, GLPPL has ceased to be a wholly owned subsidiary of GHAL with effect from April 16, 2020.

2.4 Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID 19):

Considering the rapid development of the COVID-19 outbreak, there have been travel restrictions and quarantine measures to contain the spread of the virus. As a precautionary measure, Government of India had also imposed a countrywide lockdown from March 25, 2020 to May 24, 2020. Restrictions on operation of domestic flights were partially lifted from May 25, 2020 and international flights with countries having the bubble arrangement were allowed from July 16, 2020 and are being ramped up in a phased manner, in accordance with the Government directives. As a result, the airport's operations (including the duty free and hotel operations) were closed from March 25, 2020 to May 24, 2020 except for cargo and evacuation / rescue flights for passengers, which in turn has materially impacted the business of the Group. The MRO and air cargo business remains relatively less affected from the demand point of view. Presently, the Group has resumed majority of the operations and are adhering to strict safety measures and the Government guidelines.

Initially in the month of June 2020, the Group had made a detailed assessment of its liquidity position for the next one year wherein it is expected to meet all its obligations pertaining to debt repayments, the ongoing capital expansion and any other financial obligations. The management has re-visited the original assessment and believes that there would not be any change in the original conclusion. During the original assessment and while revisiting, Management believes that it had taken into account the possible impact of known events arising from the COVID-19 pandemic. The unprecedented nature of the pandemic makes the future business environment uncertain, however, the Group will continue to carry out the impact assessment on its assets and closely monitor any material changes to future economic conditions.

2.5 Estimates

While preparing the Unaudited Condensed Interim Consolidated Financial Statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by the management, and will seldom equal the estimated results. The judgements, estimates and assumptions applied in the financial statements, including the key sources of estimation uncertainty, were the same as those applied in the Group's last annual financial statements for the year ended 31 March 2020. The only exceptions are the estimate of income tax liabilities which is determined in these Unaudited Condensed Interim Consolidated Financial Statements using the estimated weighted average annual effective income tax rate applied to the pre-tax income of the interim period.

3. **Earnings per Share (EPS)**

Basic EPS amounts are calculated by dividing the profit for the three months period attributable to equity holders of the parent by the weighted average number of equity shares outstanding during the three months period.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the three months period plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	**For the six months period ended September 30, 2020**	**For the six months period ended September 30, 2019**
Profit attributable to equity holders for basic and diluted earnings	(205.03)	390.50
Weighted average number of equity shares used for computing earnings per share (Basic and diluted)	37.80	37.80
Earnings per share (Basic and diluted) (Rs.)	(5.42)	10.33
Face value per share (Rs.)	10.00	10.00

4. **Details of transactions with Related Parties:**

A. Names of related parties and description of relationship:

Nature of relationship	**Name of the related party**
Holding company	GMR Airports Limited (GAL)
GAL's holding company	GMR Infrastructure Limited (GIL)
Ultimate holding company	GMR Enterprises Private Limited (GEPL)
Fellow Subsidiary Companies	GMR Aviation Private Limited
	Delhi International Airport Limited
	GMR Energy Trading Limited
	GMR Highways Limited
	GMR Corporate Affairs Private Limited
	GMR Airport Developers Limited
	Kakinada SEZ Limited
	GMR Aerostructure Services Limited
	GMR Hyderabad Vijayawada Expressways Private Limited
	GMR Business Process and Services Private Limited
	GMR Vemagiri Power Generation Limited
	GMR Goa International Airport Limited
	Raxa Security Services Limited
Shareholders having significant influence	Government of Telangana
	Airports Authority of India
	Malaysia Airports Holdings Berhad
	MAHB (Mauritius) Private Limited, Mauritius
Key Management Personnel (KMP)	Mr. G M Rao, Executive Chairman
	Mr. GBS Raju – Managing Director
	Mr. SGK Kishore – Chief Executive Officer (till June 14,2020)
	Mr. Pradeep Panicker – Chief Executive Officer (w.e.f June 15, 2020)
	Mr. Rajesh Arora – Chief Financial Officer (till May 31, 2019)
	Mr. Anand Kumar Polamada - Chief Financial Officer (w.e.f June 1, 2019)
	Mr. Anup Kumar Samal - Company Secretary

Nature of relationship	Name of the related party
	Mr. Srinivas Bommidala – Director
	Mr. HJ Dora – Director
	Mr. Grandhi Kiran Kumar– Director
	Mr. C Prasanna – Director
	Mr. Venkatramana Hegde – Director (till July 30,2020)
	Mr. IN Murthy – Director
	Mr. K Ramakrishna Rao IAS – Director
	Mr. Jayesh Ranjan IAS – Director
	Mr. Raja Azmi bin Raja Nazuddin – Director (till February 10, 2020)
	Mr. Mohd Shukrie bin Mohd Salleh - Additional Director w.e.f June 15, 2020
	Mr. RSSLN Bhaskarudu- Independent Director
	Mr. NC Sarabeswaran- Independent Director
	Mrs. Siva Kameswari Vissa -Independent Director
	Mr. Madhu Ramachandra Rao – Independent Director
Joint Venture	Laqshya Hyderabad Airport Media Private Limited
	GMR Logistics Park Private Limited
Associate of GIL	GMR Rajahmundry Energy Limited
Enterprises where KMP and their relatives exercise significant influence	GMR Varalakshmi Foundation
Other entities in which Directors are interested	GMR Family Fund Trust Sri Varalakshmi Jute Twine Mills Private Limited Geokno India Private Limited
Relative of KMP	Ramadevi Bommidala

B. Remuneration paid to key managerial personnel:

Particulars	For the six months period ended September 30, 2020	For the six months period ended September 30, 2019
Short term employee benefits*	3.22	7.40
Sitting fee	0.13	0.10

*Managerial remuneration excludes provision for gratuity and compensated absences, since these are provided on the basis of an actuarial valuation for the Group as a whole.

C. Summary of transactions with related parties during the period is as follows:

Particulars	For the six months period ended September 30, 2020	For the six months period ended September 30, 2019
Services received:		
GMR Infrastructure Limited	4.65	3.64
GMR Airports Limited	13.48	15.26
Raxa Security Services Limited	13.26	12.16
GMR Aviation Private Limited	-	5.84
GMR Airport Developers Limited	14.82	14.58
GMR Corporate Affairs Private Limited	-	0.12
GMR Family Fund Trust	-	0.14
Delhi International Airport Limited	0.36	0.40
Laqshya Hyderabad Airport Media Private Limited	0.14	0.34
Government of Telangana	-	1.87
Airports Authority of India	0.01	0.01
Sri Vara Lakshmi Jute Twine Mills Private Limited	-	0.10

Security Deposit (paid) / received):		
GMR Logistics Park Private Limited	18.11	-
Income from operations:		
GMR Infrastructure Limited	0.01	0.01
GMR Airports Limited	0.00	0.18
GMR Aviation Private Limited	0.00	0.03
Kakinada SEZ Limited	0.12	0.12
GMR Airport Developers Limited	0.13	0.07
Raxa Security Services Limited	0.01	0.00
Geokno India Private Limited	0.02	0.05
GMR Highways Limited	0.06	0.12
Laqshya Hyderabad Airport Media Private Limited	2.52	17.06
GMR Business Process and Services Private Limited	1.58	1.58
Delhi International Airport Limited	0.01	0.02
Airports Authority of India	0.12	1.61
GMR Varalakshmi Foundation	0.20	0.19
Interest on delayed payments from customers		
GMR Airports Limited	0.00	-
Laqshya Hyderabad Airport Media Private Limited	-	0.01
GMR Aviation Private Limited	0.00	-
Purchase of Asset (including additions to CWIP)		
GMR Airport Developers Limited	17.24	26.56
Delhi International Airport Limited	0.01	-
CSR Expenditure		
GMR Varalakshmi Foundation	5.51	5.58
Reimbursement of expenses claimed by the Group during the year from its related parties:		
GMR Infrastructure Limited	0.00	0.00
GMR Airports Limited	0.01	0.15
Kakinada SEZ Limited	0.02	0.03
Delhi International Airport Limited	0.01	0.13
GMR Airport Developers Limited	0.50	0.56
GMR Highways Limited	0.01	0.02
Geokno India Private Limited	0.00	0.00
Laqshya Hyderabad Airport Media Private Limited	0.21	0.49
Airports Authority of India	1.41	1.84
GMR Varalakshmi Foundation	0.02	0.04
Raxa Security Services Limited	0.00	0.00
GMR Business Process and Services Private Limited	0.11	0.34
GMR Goa International Airport Limited	-	0.02
Reimbursement of expenses claimed from the Group during the year by its related parties:		
GMR Airports Limited	-	0.17
Delhi International Airport Limited	0.01	-
Laqshya Hyderabad Airport Media Private Limited	-	0.09
GMR Airport Developers Limited	0.36	0.13
Income on amortisation of deposit received:		

Laqshya Hyderabad Airport Media Private Limited	0.04	0.02
GMR Varalakshmi Foundation	0.00	0.02
GMR Infrastructure Limited	0.00	0.00
Interest expense on amortisation of deposit received:		
Laqshya Hyderabad Airport Media Private Limited	0.02	0.02
GMR Infrastructure Limited	0.00	(0.00)
GMR Varalakshmi Foundation	0.01	0.00
Lease rental income		
Laqshya Hyderabad Airport Media Private Limited	(0.00)	0.01
GMR Business Process and Services Private Limited	0.02	0.02
GMR Highways Limited	(0.00)	0.00
GMR Airport Developers Limited	0.00	0.00
GMR Varalakshmi Foundation	0.01	0.02
Raxa Security Services Limited	(0.00)	0.00
Unsecured loan given:		
GMR Infrastructure Limited	9.95	-
Interest on unsecured loan:		
GMR Infrastructure Limited	11.30	-
Unsecured loan received back:		
GMR Infrastructure Limited	9.95	-
Interest expense on lease liabilities		
GMR Family Fund Trust	0.04	0.03
Government of Telangana	3.57	3.42
Sri VaraLakshmi Jute Twine Mills Private Limited	0.03	0.02
Amortization of expense on deposit paid:		
GMR Airport Developers Limited	-	0.41
Raxa Security Services Limited	0.09	0.07
Interest income on amortization of deposit paid:		
GMR Airport Developers Limited	-	0.61
Raxa Security Services Limited	0.07	0.07
Sri VaraLakshmi Jute Twine Mills Private Limited	0.00	0.00
GMR Family Fund Trust	0.02	0.01
Rent:		
Ramadevi Bommidala	0.11	0.11

D. Outstanding balances at the end of the period/year:

Particulars	September 30, 2020		March 31, 2020	
	Non-Current	Current	Non-Current	Current
Balance Recoverable / (Payable):				
GMR Enterprises Private Limited	-	0.01	-	0.01
GMR Infrastructure Limited	-	(1.81)	-	(2.31)
GMR Airports Limited	-	(6.19)	-	(7.93)
Raxa Security Services Limited	-	(8.73)	-	(5.31)
Delhi International Airport Limited	-	(0.32)	-	1.56
GMR Rajahmundry Energy Limited	-	0.04	-	0.04
GMR Hyderabad Vijayawada Expressways Private Limited	-	0.01	-	0.01

Particulars	September 30, 2020		March 31, 2020	
	Non-Current	Current	Non-Current	Current
GMR Aviation Private Limited	-	0.00	-	0.03
GMR Airport Developers Limited	-	(15.49)	-	(12.33)
Kakinada SEZ Limited	-	0.51	-	0.69
GMR Energy Trading Limited	-	0.00	-	0.00
GMR Highways Limited	-	0.18	-	0.26
Geokno India Private Limited	-	0.83	-	0.81
GMR Aerostructure Services Limited	-	0.03	-	0.03
GMR Goa International Airport Limited	-	-	-	0.02
GMR Vemagiri Power Generation Limited	-	0.00	-	0.00
GMR Business Process and Services Private Limited	-	1.02	-	1.66
Laqshya Hyderabad Airport Media Private Limited	-	1.46	-	0.77
Government of Telangana	-	-	-	(3.87)
Airports Authority of India	-	4.78	-	5.02
GMR Varalakshmi Foundation	-	(3.34)	-	(0.03)
Security deposit receivable / (payable) to related parties recognised at amortised cost:				
GMR Infrastructure Limited	-	(0.04)	-	(0.04)
Raxa Security Services Limited	-	1.61	-	1.70
Laqshya Hyderabad Airport Media Private Limited	(0.36)	(0.02)	(0.34)	(0.02)
Delhi International Airport Limited	(0.25)	-	-	-
GMR Varalakshmi Foundation	(0.10)	-	(0.10)	-
Sri Varalakshmi Jute Twine Mills Private Limited	0.09	-	0.09	-
GMR Family Fund trust	0.35	-	0.33	-
Ramadevi Bommidala	(0.03)	-	(0.00)	-
GMR Airport Developers Limited	4.43	4.77	4.64	8.92
Deferred income on deposits received recognized at amortised cost				
Laqshya Hyderabad Airport Media Private Limited	0.09	0.04	0.12	0.04
GMR Varalakshmi Foundation	0.02	0.01	0.03	0.01
Prepaid expenses on deposits paid recognized at amortized cost:				
Raxa Security Services Limited	-	0.14	-	0.05
GMR Airport Developers Limited	1.12	0.44	0.90	0.89
Loans given (including accrued interest):				
GMR Infrastructure Limited	-	200.00	-	207.90
Borrowings:				
Government of Telangana	(315.05)	-	(315.05)	-

5. Operating segments are reported in such a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ('CODM'). The entity has only a single geographical segment operating in Hyderabad, India. As per the evaluation carried out by CODM, the Group has only one reportable business segment, i.e. operation of airport and providing allied services. Accordingly, the amounts appearing in the Unaudited Condensed Interim Consolidated Financial Statements relate to the Group's single business segment.

Major Customers: Revenue from one customer of the Group is approximately Rs. 86.56 out of total revenue of the Group (September 30, 2019: Rs. 190.73) for the period ended September 30, 2020.

6. **Revenue from operations**

The information relating to different products and services regarding revenue from operations is:

Nature of revenue	For the six months period ended September 30, 2020	For the six months period ended September 30, 2019
Aeronautical		
Landing and parking charges	24.07	69.41
User development Fee and Passenger service fee	15.96	369.24
Information, Communication & Technology charges	5.18	-
Common Infrastructure Charges	0.27	31.82
Fuel farm income	13.61	73.53
Ground handling charges	3.28	17.06
Cargo revenues	34.64	47.18
Others	10.90	13.97
Revenue from aeronautical(A)	**107.91**	**622.21**
Non-aeronautical		
Duty Free	6.07	84.14
Retail	2.77	22.98
Advertisement	4.19	18.59
Food and beverages	4.07	23.99
Parking	4.94	36.00
Land and space – rentals	19.76	37.36
MRO services and others	122.36	117.17
Revenue from non-aeronautical(B)	**164.16**	**340.23**
Commercial property development	16.38	17.87
Hospitality services	2.98	33.25
Revenue from Non-airport services(C)	**19.36**	**51.12**
Revenue from operations (D=A+B+C)	**291.43**	**1,013.56**

The Group's revenue disaggregated by pattern of revenue recognition is as follows:

Particulars	For the six months period ended September 30, 2020			
	Aeronautical	Non-aeronautical	Non-airport	Total
Services transferred at a point in time	53.98	-	-	53.98
Services transferred over time	53.93	164.16	19.36	237.45
Total	**107.91**	**164.16**	**19.36**	**291.43**

Particulars	For the six months period ended September 30, 2019			
	Aeronautical	Non-aeronautical	Non-airport	Total
Services transferred at a point in time	541.97	-	-	541.97
Services transferred over time	80.24	340.23	51.12	471.59
Total	**622.21**	**340.23**	**51.12**	**1,013.56**

7. **Leases**

Group as lessee:
GHIAL has taken land, office and other spaces on operating lease having a term ranging from 5 years to 60 years. The land lease has an escalation of 5% per annum from the 8th anniversary of the Commercial Operations Date and is co-terminus with the concession period. The office and other space leases have an escalation of 5% per annum and are renewable at the end of the lease period with mutual consent.

Following are the changes in the carrying value of right of use assets as at September 30, 2020:

Particulars	Category of ROU asset		Total
	Land	Building	
Balance as at April 1, 2019	-	-	-
Reclassification on account of adoption of Ind AS 116	67.43	9.94	77.37
Depreciation	(1.38)	(1.52)	(2.90)
Balance as at March 31, 2020	**66.05**	**8.42**	**74.47**
Additions on accounts of modification in terms of contract	-	3.67	3.67
Depreciation	(0.69)	(0.75)	(1.44)
Balance as at September 30, 2020	**65.36**	**11.34**	**76.70**

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the Statement of Profit and Loss.

The following is the break-up of current and non-current lease liabilities as at:

Particulars	September 30, 2020	March 31, 2020
Current lease liabilities	-	-
Non-Current lease liabilities	85.82	83.05
Total	**85.82**	**83.05**

The following is the movement in lease liabilities during the period:

Particulars	September 30, 2020	March 31, 2020
Opening Balance	83.05	76.94
Additions on accounts of modification in terms of contract	3.67	-
Finance cost accrued during the year	4.04	7.79
Payment of lease liabilities	(4.94)	(1.68)
Balance at the end of the period/year	**85.82**	**83.05**

Following amount has been recognized in statement of profit and loss:

Particulars	For the six months period ended September 30, 2020	For the six months period ended September 30, 2019
Depreciation/amortisation on right to use asset	1.44	1.38
Interest on lease liability	4.04	1.95
Expenses related to short term lease (included under other expenses)	1.40	2.22
Total amount recognized in the statement of profit and loss	**6.88**	**5.55**

The table below summarises the maturity profile of the Group's lease liabilities based on contractual undiscounted payments:

	September 30, 2020	March 31, 2020
Within one year	5.68	9.41
After one year but not more than five years	25.71	23.55
More than five years	731.62	727.57

Operating lease commitments: Group as lessor

Group has sub-leased land to various parties under operating leases having a term of 9 to 30 years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiable.

Future minimum rentals receivable under non-cancellable operating leases are as follows:

	September 30, 2020	March 31, 2020
Within one year	63.78	49.55
After one year but not more than five years	216.83	184.72
More than five years	513.66	450.88

8. **Commitments and Contingencies**

I. Litigation and contingent liabilities

A. Direct taxes:

a) During the previous years, the Revenue have filed Appeals before the Hon'ble High Court of Karnataka against GHIAL on the orders passed by Income Tax Appellate Authority (ITAT), Bengaluru dated October 13, 2017 knocking down the assessment orders passed under section 143(3) read with section 153A thereby deleting certain disallowances amounting to Rs. 34.87 & Rs. 16.65 confirmed by Commissioner of Income tax (Appeals) [CIT (A)], Bengaluru in relation to assessment years (AY's) 2008-09 & 2009-10 respectively, resulting in a reduction in tax losses.

b) During the previous year, the ITAT, Bengaluru, in an appeal filed by the GHIAL against the order passed by the CIT (A), Bengaluru dated October 31, 2016 confirming certain disallowances amounting to Rs. 6.85 in relation to AY 2009-10 resulting in a reduction in tax losses has passed an order dated July 10, 2019 setting aside the order passed by the CIT (A) and restoring the matters back to the assessing officer for fresh verification.

c) During the previous years, the Revenue have filed Appeals before the Hon'ble High Court of Karnataka against GHIAL on the orders passed by ITAT, Bengaluru dated October 13, 2017 deleting certain disallowances amounting to Rs. 7.34, Rs. 11.25, Rs. 18.27 & Rs. 20.04, resulting in a reduction in tax losses, confirmed by CIT (A), Bengaluru in relation to AY's 2010-11, 2011-12, 2012-13 and 2013-14 respectively.

d) During the previous years, GHIAL had filed appeals before ITAT, Bengaluru against the orders passed by the CIT (A), Bengaluru dated December 29, 2016 confirming certain disallowances amounting to Rs. 13.00, Rs. 9.14, Rs. 0.86 and Rs. 4.29 resulting in a reduction in tax losses in relation to AY's 2010-11, 2011-12, 2012-13 and 2013-14 respectively.

e) During the previous years, GHIAL had filed appeal before ITAT, Bengaluru against the orders passed by the CIT (A), Bengaluru dated July 10, 2018 confirming certain disallowances amounting to Rs. 3.38, resulting in a reduction in tax losses in relation to AY 2014-15.

f) During the previous years, the Revenue have filed appeals before the ITAT, Bengaluru against GHIAL on the orders passed by CIT(A), Bengaluru dated July 10, 2018 deleting certain disallowances amounting to Rs. 22.03 & Rs. 22.23 resulting in a reduction in tax losses in relation to AY's 2014-15 & 2015-16 respectively.

g) During the previous years, the Revenue have filed appeals before ITAT, Bengaluru against GHIAL on the order passed by CIT(A), Bengaluru dated July 13, 2018 deleting certain disallowances amounting to Rs. 24.46 in relation to AY 2016-17.

h) During the previous years, the Revenue have filed appeals before the Hon'ble High Court of Karnataka against GHIAL on the orders passed by the ITAT, Bengaluru deleting certain disallowances in the computation of income as per Section 115 JB of the Income-tax Act, 1961 amounting to Rs. 16.89 in relation to AY 2013-14 which could result in an additional Minimum Alternate Tax of Rs. 3.38.

i) During the previous years, the Revenue have filed appeals before the ITAT, Bengaluru against GHIAL on the orders passed by the CIT (A), Bengaluru in GHIAL favour in relation to certain disallowances in the computation of income as per Section 115 JB of the Income-tax Act, 1961 amounting to Rs. 17.93, Rs. 17.10 and Rs. 20.37 in relation to AY 2014-15, AY 2015-16 and AY 2016-17, respectively. In connection to this, tax deducted at source amounting to Rs. 3.76, Rs. Nil and Rs. 6.46 for AY 2014-15, AY 2015-16 and AY 2016-17, respectively was withheld by the Authorities.

Note: Aforementioned amounts do not include additions across AY 2009-10 to AY 2016-17 amounting to Rs. 31.87 pertaining to PSF (SC) accounts.

j) GACAEL had received assessment order during previous years for the assessment years 2009-2010, 2010-2011, 2011-2012 and 2012-13 respectively, denying the deduction u/s 80-IA of the Income Tax Act, 1961 and demanding tax of Rs. 1.54 (including interest of Rs 0.22), Rs.2.73 (including interest of Rs 0.69), Rs. 3.03 (including interest of Rs.0.75) and Rs. 2.54 (including interest of Rs 0.66) for the respective assessment years. GACAEL had filed an appeal with Commissioner of Income - Tax (Appeals), Hyderabad and had paid the amount demanded under protest. During the previous years, the said appeals were dismissed by the Commissioner of Income - Tax (Appeals), Hyderabad against which GACAEL had filed an appeal with the Income Tax Appellate Tribunal, Hyderabad. During FY 2016-17, GACAEL has received a favorable order from Income Tax Appellate Tribunal, Hyderabad allowing the deduction u/s 80 IA of the Income tax Act, 1961 for all the assessment years. The department appealed against the ITAT order before High Court in respect of the aforesaid years which is pending. GACAEL has applied for Vivad Se Vishwas scheme for settlement of disputed taxes for AY 2009-10 to AY 2012-13 on December 30, 2020 and awaiting department's confirmation

k) GACAEL had received an order during previous years for the assessment year 2013-14 and 2014-15 respectively, denying the deduction u/s 80-IA of the Income Tax Act, 1961. Per this order the refund receivable to GACAEL has reduced by Rs. 4.18 for A.Y. 2013-14 and Rs. 3.11 for A.Y 2014-15. Aggrieved by the reduction in refund and the demand, GACAEL has filed an appeal with the Commissioner of Income - Tax (Appeals), Hyderabad. During previous year, GACAEL has received a favorable order from Commissioner of Income-Tax (Appeals), Hyderabad allowing the deduction u/s 80-IA of the Income tax Act, 1961. The Department appealed against the CIT order before ITAT in respect of the aforesaid years. During the current year GACAEL has received a favorable order from Income-Tax Appellate Tribunal, Hyderabad allowing the deduction u/s 80-IA of the Income tax Act, 1961. The Department appealed against the ITAT order before High Court in respect of the aforesaid years which is pending. GACAEL has applied for Vivad Se Vishwas scheme for settlement of disputed taxes for AY 2013-14 to AY 2014-15 on December 30, 2020 and awaiting department's confirmation.

l) GACAEL had received an order during the previous year for the assessment years 2015-16 & 2016-17 denying the deduction u/s 80-IA of the Income Tax Act, 1961. Subsequently, GACAEL filed for rectification of order u/s 154 of the Income-tax Act, 1961 and as per the rectified order there is a tax demand amounting to Rs. 4.17 & Rs.0.16 for AY 2015-16 & AY 2016-17 respectively. During Assessment Year 2019-20 the department has issued a refund order advice stating that the refund for AY 2017-18 has been adjusted against the demand for AY 2015-16 to the extent of 3.77. Aggrieved by the demand GACAEL has filed an appeal with the Commissioner of Income-Tax (Appeals), Hyderabad which matter is pending

m) GACAEL had received an order from Deputy Commissioner of Income tax, Hyderabad for the reopening of the assessment year 2008-09 disallowing an item of expense amounting to Rs. 0.85. GACAEL has filed an appeal with Commissioner of Income – Tax (Appeals), Hyderabad on May 5, 2015. GACAEL has received an order on January 06, 2020 dated December 13, 2019 partially allowing the expense. Aggrieving by the order, GACAEL has filed an appeal with ITAT, Hyderabad for which matter is pending.

n) GHRL during the previous year has received an order from Income Tax Officer for the AY 2016-17 demanding income tax of Rs. 0.05 on account of disallowance. GHRL has filed an appeal with CIT (Appeals). The CIT(Appeals) has passed an order dated February 20, 2020 dismissing the appeal of GHRL. During the period GHRL has filed an appeal against the said order with Income Tax Appellate Tribunal.

B. Other matters under dispute are as follows:

i. GHIAL had received an order dated March 14, 2019 from the Central Excise & Service tax Appellate Tribunal (CESTAT), Hyderabad against the order from the Office of Commissioner of Customs, Central Excise and Service Tax dated January 29, 2010 on irregular availment of the cenvat amounting to Rs. 24.54 excluding penalty of Rs. 31.11. The said Order has allowed the cenvat credit of Rs. 12.12, disallowed and remanded credit totaling to Rs. 12.42 (includes remanded cenvat credit of Rs. 4.01) and accordingly, penalty amount got reduced to Rs. 12.42. In addition, the order also allowed cenvat credit of Rs. 6.56 which was capitalized earlier. However, the same has not been given effect to in the financial statements pending final outcome since during the year the department has filed an appeal against the above order from the CESTAT. Apart from this, GHIAL has also

filed an appeal against the disallowance of Rs. 8.41, with the Hon'ble High Court of Telangana on September 09, 2019.

ii. GHIAL had received final order passed by the CESTAT, Hyderabad on September 16, 2019 allowing the appeal filed against levy of penalty of Rs. 7.43 on delay in payment of service tax on the UDF. Further, GHIAL had received the refund towards service tax of Rs. 12.17 (including interest of Rs. 4.74) pertaining to the period from April 2008 to December 2008. However, GHIAL has not recognized the above refund amount of Rs. 12.17 as an income since the department had filed an appeal with the Hon'ble Supreme Court against the order of CESTAT and the same has been shown as a liability. During the period, GHIAL has received the refund of service tax paid amounting to Rs. 10.02 for the balance subsequent period from January 2009 to October 2009. Further, during the period, the department has filed an appeal with Commissioner of Customs & Central Tax, Appeals-1 against the order sanctioning of refund of Rs. 12.17 which got dismissed by the Commissioner of customs & Central Tax, Appeals- 1 vide its order dated September 16, 2020.

iii. GHIAL had received an order from the Office of Commissioner of Customs, Central Excise and Service Tax dated November 25, 2013 on non-payment of service tax on recovery of electricity and water charges from its concessionaires and irregular availment of Cenvat amounting to Rs. 1.53, including penalty of Rs 1.67. GHIAL had received stay order from CESTAT subject to pre-deposit of Rs. 0.15 and accordingly, GHIAL had deposited same with the service tax department within the stipulated time.

iv. During the period, GHIAL has received a show cause notice (SCN) dated August 07, 2020 highlighting a variation in the input tax credit (ITC) claimed by GHIAL in GSTR 3B viz-a-viz ITC available as per GSTR 2A aggregating to Rs. 166.74 for the financial year ended March 31, 2020. GHIAL has filed their response to the aforesaid SCN on September 10, 2020 justifying the variance which was predominantly on account of the ITC claimed on civil work (refer note 24) and timing difference.

v. GHIAL had received a notice from the office of the Joint Commissioner of Labour for payment of Building and other construction workers' Welfare Cess @ 1% of the cost of construction of Airport Metropolitan amounting to Rs. 25.20. The GHIAL had received the stay order from Hon'ble Hight Court of Telangana against the said order in the earlier years.

vi. GHIAL had received notice dated January 19, 2013, from Hyderabad Metropolitan Water Supply & Sewerage Board for disconnection of water connection for non-payment of sewerage cess arrears. GHIAL had received the stay order against the said order in the earlier years. The sewerage cess outstanding including interest as at March 31, 2020 amounts to Rs. 5.20 (March 31, 2020: Rs. 4.96).

vii. GHRL has filed appeal with Appellate Tribunal against the orders of Deputy Commissioner and Appellate Deputy Commissioner against the order confirming the demand of Rs. 0.42 towards, levying Value Added Tax on leasing of Audio-visual equipment by the hotel customers for the period from October 2010 to November 2012 and December 2012 to March 2014 respectively. Further, GHRL had filed reply to the SCN for Rs. 0.20 on May 16, 2019 for the period from Apr-14 to Jun-17 on same issue. Order awaited.

viii. GHRL during the previous year, has received an order from Deputy Commissioner of Customs, RGI Airport in respect of alleged stock variance. GHRL has filed an appeal with the Commissioner of Customs & Central Tax (Appeals-1) against the order passed by the Deputy Commissioner Customs, RGIA. The Commissioner Customs & Central Tax (Appeals-1) upheld the order passed by the Deputy Commissioner of Customs, RGI Airport and reduced the penalty to Rs. 0.01. GHRL is in the process of filling an appeal with CESTAT.

ix. The Assistant Commissioner of Central tax and Customs, Hyderabad has filed appeals on May 31, 2019 before the Commissioner (appeals) against the service tax refund orders in respect of service tax charged by GHIAL on renting of immovable property for Duty free shop located beyond custom frontier of India for an amount of Rs. 3.77 issued to GHRL pertaining to the period from October 2016 to June 2017. GHRL has filed cross-objections on October 14, 2019 against the appeals and personal hearing is awaited. GHRL has submitted the reply to show cause notice asking to show cause as to why the refunded amount erroneously should not be recovered u/s 73A of the Finance Act, 1994.

x. GACAEL has filed an appeal with Customs, Excise and Service Tax Appellate Tribunal (CESTAT) against the order of Commissioner of Service Tax for the rejection of service tax refund claim amounting to Rs. 1.03.

xi. GACAEL accrued customs officers' salaries stationed at Air Cargo Terminal based on debit notes raised by the customs department on GHIAL as the ultimate cost has to be borne by the custodian i.e. GACAEL. GHIAL filed a writ petition under article, 226 of the Constitution of India in the Honorable High Court of Judicature of Andhra Pradesh at Hyderabad against the demand raised in previous years, GHIAL had received an order from the Honorable High court of Andhra Pradesh (Single Judge), stating that the grounds on which the levy was made by customs department were wholly unsustainable and accordingly GACAEL had reversed the accrued customs cost amounting to Rs. 14.02 for the period from March 23, 2008 to March 31, 2012 during the earlier years.

Subsequent to the above order, the Customs Department preferred an appeal against the same and on November 2, 2012, a bench of two judges of the Honorable High Court of Andhra Pradesh passed an order for interim suspension of the said order passed by the Honorable Single Judge and the matter is pending.

xii. GACAEL has rendered cargo handling services for export cargo during the period March 2008 to June 2010 on which GACAEL had not paid service tax in view of the exemption available under cargo handling services. GACAEL had received a show cause notice from the Office of Commissioner of Customs & Central Excise requiring GACAEL to show cause as to why the services rendered during March 2008 to June 2010 should not be classified under "Airport Services" and "Storage and Warehousing Services" ("Taxable Service").

On May 3, 2013, GACAEL had received an order from Commissioner of Customs, Central Excise and Service tax. As per the said order, the Commissioner had concurred with the departments view and classified the services of cargo handling for export cargo as Taxable Service. As a result of which, there was a demand levied of Rs. 1.89 as service tax for the period March 2008 to June 2010 under Airport Services and Rs.1.07 as service tax for the period March 2008 to June 2010 on Storage and Warehousing Services along with applicable interest and penalty.

Subsequently, the CESTAT in its stay order dated October 25, 2013 has mentioned that X-ray Screening, Terminal Storage and Processing, Unitization and Demurrage would be incidental and ancillary in relation to cargo handling service. As a result, there shall be a waiver of pre deposit of the dues and stay against recovery during pendency of the appeal.

xiii. GACAEL has received a show cause notice from the Office of Commissioner (Audit) Central tax requiring GACAEL to show cause as to why CENVAT credit of Rs. 0.65 along with applicable interest and penalty should not be reversed/demanded on certain exempted services. GACAEL has filed a reply to the Show Cause notice with the Office of Commissioner (Audit) Central tax on October 10, 2017. Personal hearing completed on March 27, 2018, AC has passed an order dated March 28, 2018 by disallowing GACAEL demand, order received on April 9, 2018. As a result of which, there is a demand levied of Rs. 0.65 as service tax along with penalty of Rs. 0.63. Further, GACAEL has filed an appeal against the order with Commissioner (Appeals), Central tax during the previous year. GACAEL has received an unfavorable order from Commissioner of Customs and Central Tax (Appeals), Hyderabad on November 12, 2018, directing the Additional Commissioner to recalculate the demand. Subsequently, GACAEL has filed an appeal against the unfavorable order with CESTAT, Hyderabad on February 11, 2019.

xiv. During the previous year, GACAEL has received an order from Regional PF Commissioner – I, Regional Office II, Hyderabad, regarding the payment of contributions to International Worker under Employees Provident Funds and Miscellaneous Provisions Act, 1952 demanding an amount of Rs. 0.14. GACAEL has filed writ petition before the High Court of Telangana.

xv. GACAEL has received a SCN No. 31/2019-20 dated 23 July 2019 along with corrigendum to SCN dated 25 July 2019 from DGGI (Directorate General of GST Intelligence) on following points:

i. Non reversal of CENVAT Credit against sale of goods for Rs. 0.03.

ii. Proposing disallowance of Export of Services on the ground that 'Place of supply' for MRO Services of Aircraft going out of India after being put to use India can't be said to be outside India. Hence it does not qualify 'Export of Service' and hence subject to Service Tax for Rs. 2.08 along with applicable interest and penalty.

GACAEL has filed a writ petition on August 21, 2019 and received interim relief on August 22, 2019 staying the proceedings. Department has filed its reply and requested for stay vacation.

xvi. GACAEL has received a SCN.04/2019-20 dated 19 July 2019 from Office of the Commissioner of Central Tax requiring GACAEL to show cause as to why service tax payable of Rs. 0.19 on recovery from the Employee on serving the Short Notice Period which is subject to Service Tax under declared service ' To tolerate an Act' u/s 66E (e.) of the Finance Act, 1994 should not be demanded under the provisions of Section 73 of Finance Act, 1994 along with interest under Section 75 and penalty under Section 78 of Finance Act, 1994.

GACAEL has filed a written response on August 19, 2019. Personal hearing held on January 23, 2020 and waiting for the final order.

xvii. During the current period, GACAEL has received a show cause notice from the Office of Commissioner of Customs & Central taxes requiring GACAEL to show cause as to why CENVAT credit of Rs 0.25 along with applicable interest and penalty should not be paid on irregular availment of CENVAT credit for the capital goods which are included in the Improvements to Concession Assets. GACAEL is in the process of responding to the notice.

xviii. During the current period, GACAEL has received an order from District Consumer Forum (RR District), regarding the compensation for short delivery of cargo to M/s. Excell Media Pvt.Ltd. amounting to 0.01 along with applicable interest. GACAEL is in the process of filing appeal against the oder.

xix. In case of GHRL, during the current period one of the customer has filed the complaint against GHRL for an amount of Rs.0.05 under Consumer Protection Act, 2019.

xx. GHAL has preferred an appeal with CESTAT against Order-in-Appeal passed by The Commissioner of Central Tax (Appeals) confirming the demand of Rs. 1.47 in the matter of short payment of service tax under RCM on purchase of designs and drawings under Architecture service. GHAL has filed an appeal with CESTAT against the order and reversed cenvat credit of Rs. 0.11 in FY 17-18 and paid Rs 0.04 during the year towards pre-deposit. GHAL has filed an appeal with CESTAT against the order.

xxi. GHASL had received Show Cause Notice dated July 17, 2015 from the Office of the Assistant Commissioner of Customs, Central Excise and Service Tax wherein service tax refund of Rs. 0.0078 has been denied.

xxii. **Recovery from PSF (SC) Escrow account:**

a) The Ministry of Civil Aviation (MoCA) had issued orders in 2014, requiring the Airport Operators to reverse the expenditure incurred from PSF (SC) escrow account opened and maintained by the Airport Operator in a fiduciary capacity, towards procurement and maintenance of security systems/equipment and on creation of fixed assets, together with interest, since inception. GHIAL had incurred Rs.142.00 towards capital expenditure (including the cost of land, construction cost and related finance cost as mentioned in note b below), excluding related maintenance expense, other costs and interest thereon till March 31, 2018 which is unascertainable, out of PSF (SC) escrow account as per SOPs, guidelines and clarification issued by the MoCA from time to time on the subject of utilization of PSF (SC) funds.

As the above order, in management's opinion, is contrary to and inconsistent with SOPs, guidelines and clarification issued by the MoCA from time to time in this regard, GHIAL had challenged the said order before the Hon'ble High court of Andhra Pradesh. The Hon'ble High Court, vide its order dated March 3, 2014 followed by further clarifications dated April 28, 2014 and December 24, 2014, stayed the MoCA order with an undertaking that, in the event the decision of the writ petition goes against GHIAL, it shall restore the PSF (SC) Fund to this extent.

b) As per the advice from the Ministry of Home Affairs and the SOP's issued by the MoCA on March 06, 2002, GHIAL, through its erstwhile wholly owned subsidiary, Hyderabad Airport Security Services Limited (HASSL) constructed the residential quarters for Central Industrial Security Force (CISF) deployed at the airport. After completion of such construction, the total construction cost including the cost of land and related finance cost amounting to Rs. 113.73 was debited to the Passenger Service Fee (Security Component) Fund [PSF (SC) Fund] with intimation to the MoCA. The Comptroller & Auditor General, during their audits of PSF (SC) Fund, observed that, GHIAL had not obtained prior approval from the MoCA for incurring such cost from the PSF (SC) Fund as required by the guidelines dated January 8, 2010 and April 16, 2010 issued by the MoCA. However, Management of GHIAL is of the opinion that these guidelines were issued subsequent to the construction of the said residential quarters and approached the MoCA for approval of such debit notes to the PSF (SC) Fund account. Alternatively, GHIAL had requested the MoCA to advice the Airport Economic Regulatory Authority (AERA) for considering the cost of construction, land and other

related costs with regard to the aforesaid residential quarters in determination of Aeronautical Tariff for the Airport. Pending final instructions from the MoCA, residential quarters continue to be accounted under the PSF (SC) Fund and no adjustments have been made to these Unaudited Condensed Interim Consolidated Financial Statements.

xxiii. Fuel surcharge adjustment (FSA) of GHIAL for the period from April 2008 to March 2010 amounting to Rs. 2.05 (March 31, 2020: Rs. 2.05).

xxiv. There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated February 28, 2019. As a matter of caution the Group has amended the pay structure and made the consequent payment of provident fund on a prospective basis from the date of the SC order.

Based on the internal assessment and / or legal opinion, the Management is confident that, for the aforesaid mentioned contingent liabilities under paragraph (A) and (B) above, no further provision is required to be made as at September 30, 2020.

II. Guarantees excluding financial guarantee:
In case of GHIAL, Bank guarantees outstanding in respect of customs and others Rs. 48.92 (March 31, 2020: Rs. 48.95).

Note: The above guarantees also include performance guarantees given by the Group on its own behalf.

III. Commitments

a) Capital commitments
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances) amounting to Rs. 2,386.40 (March 31, 2020: Rs. 2,642.68).

b) Other commitments

(i) As per the terms of the Concession Agreement, GHIAL is required to pay concession fees to the Ministry of Civil Aviation (MoCA) @ 4% on the gross revenue (as defined in Concession Agreement) for a term of 60 years commencing from March 23, 2008.

(ii) During previous years, GHIAL had entered into "Cross Currency Swap" with various banks in order to hedge principal portion and to protect interest component of 4.25% senior secured notes (2027 SSN) of USD 350 million which is repayable in October 2027, with interest payable on semi-annually basis.

Further GHIAL has also entered into "Call Spread (CS)" arrangement in order to hedge principal portion of 5.375% senior secured notes (2024 SSN) for USD 300 million which is repayable in April 2024 and "Coupon Only Swap" (COS) to hedge the payment of interest liability on semi-annually basis.

9. **Significant accounting judgments, estimates and assumptions:**
The preparation of the Group's Unaudited Condensed Interim Consolidated Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a. **Judgments**
In the process of applying the Group's accounting policies, management has made the following judgments, which has the effect on the amounts recognised in the Unaudited Condensed Interim Consolidated Financial Statements:

Defined benefit plans (gratuity benefits)
The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

Contingent liabilities
Contingent liabilities may arise from the ordinary course of business in relation to claims against the Group, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgment and the use of estimates regarding the outcome of future events.

Fair value measurement of financial instruments
When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Taxes
Deferred tax assets on unused tax losses and minimum alternate tax credit entitlement are recognised to the extent that it is probable that taxable profit will be available against which these amounts can be utilised. Significant management estimate is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Impairment of Cash Generating Unit (CGU):
The Group reviews it's carrying value of CGU, annually, or more frequently when there is an indication for impairment. For the purpose of impairment testing, estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and risks specific to the assets for assessing the value in use. The recoverable amount of an asset is greater of its value-in-use and its fair value less costs to sell.

Impairment of financial asset
The impairment provisions for financial assets are based on the assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

10. **Fair values:**

A comparison of the carrying amount of all financial assets and liabilities appearing in the financial information as against the reasonable approximation of their fair values is as below:

Break up of financial assets

Particulars	Carrying value		Fair value	
	September 30, 2020	March 31, 2020	September 30, 2020	March 31, 2020
Financial Assets				
At fair value through Profit or loss				
Investments in mutual funds	175.02	310.74	175.02	310.74
At Fair Value through Other Comprehensive Income				
Cross currency swap	587.18	702.08	587.18	702.08
Coupon only swap	12.00	31.92	12.00	31.92
Call spread option	148.63	131.00	148.63	131.00
At amortized cost				
Investments in commercial papers	512.12	930.36	512.12	930.36
Loans	232.85	234.50	232.85	234.50
Cash and cash equivalents	421.12	270.98	421.12	270.98
Bank balances other than cash and cash equivalents	418.89	680.93	418.89	680.93
Other financial assets	165.66	147.63	165.66	147.63
Trade receivables	122.02	178.77	122.02	178.77
Total	**2,795.49**	**3,618.91**	**2,795.49**	**3,618.91**
Financial liabilities				
At amortized cost				
Borrowings	5,614.98	5,705.73	5,351.43	4,636.61
Other financial liabilities	821.63	961.36	821.48	961.06
Lease liabilities	85.82	83.05	85.82	83.05
Trade payables	178.48	168.75	178.48	168.75
Total	**6,700.81**	**6,918.89**	**6,437.21**	**5,849.47**

The management assessed the cash and cash equivalent, trade receivables trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. In case of long-term borrowings, all borrowings carry fixed rate of interest and hence, the carrying value is considered to the same as its fair value.

Assumptions used in estimating the fair values:

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

i. The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Derivatives are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying commodity. As at September 30, 2020, the marked-to-market value of derivative asset positions is net of a credit valuation adjustment attributable to derivative counterparty default risk.

ii. The fair values of quoted mutual funds and commercial paper are based on price quotations at the reporting date.

iii. The fair value of borrowings is based on the traded price of the bond and the prevailing exchange rate.

11. **Fair Value Hierarchy:**

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.
Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at:

Particulars	Date of Valuation	Total	Fair value measurement using		
			Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			Level-1	Level-2	Level-3
Assets measured at fair value					
At FVTPL					
Investments in mutual funds	September 30, 2020	175.02	175.02	-	-
	March 31, 2020	310.74	310.74	-	-
At FVTOCI					
Derivatives designated as Cash flow hedge	September 30, 2020	747.81	-	747.81	-
	March 31, 2020	865.00	-	865.00	-

There have been no transfers between Level 1, Level 2 and Level 3 during the period.

12. **Cash flow hedges**

Foreign exchange derivative instruments measured at fair value through OCI are designated as hedging instruments in cash flow hedges to hedge the USD INR conversion rate volatility with reference to the cash outflows on settlement of its borrowings and related interest payments designated in USD. The fair value of derivative instruments varies with the changes in foreign exchange rates.

Particulars	September 30, 2020 (Unaudited)		March 31, 2020 (Audited)	
	Assets	Liabilities	Assets	Liabilities
Cross Currency Swap	587.18	-	702.08	-
Coupon only swap	12.00	-	31.92	-
Call spread option	148.63	-	131.00	-

13. The Holding Company has recognized, Minimum Alternate Tax (MAT) credit entitlement (i.e. deferred tax asset) of Rs. 457.11 (March 31, 2020: Rs. 457.11) as at September 30, 2020. The Holding Company based on the future taxable income expects to adjust this amount after expiry of the tax holiday period. The ultimate realisation of MAT assets is dependent upon the generation of future taxable income projected by considering the anticipated tariff orders for the control period commencing from April 1, 2021, estimated revenues and expenses of the business, scheduled reversals of deferred tax liabilities and tax planning strategy. As the recoverability of deferred tax assets is based on estimates of future taxable income, any changes in such future taxable income could impact its recoverability. However, management, based on sensitivities performed, believes that any reasonable possible change in the key assumptions would not effect the Company's ability to recover the MAT Credit asset within the specified period as per the provisions of Income Tax Act, 1961.

14. Minimum Alternative Tax (MAT) Credit Entitlement claimed by GACAEL in the income tax returns aggregating Rs. 37.01 have not been recognised in the books in view of the ongoing disputes/litigations with the tax authorities.

15. **Determination of aeronautical tariff:**

GHIAL had filed an appeal, challenging the disallowance of pre-control period losses, foreign exchange loss on external commercial borrowings, classification of revenues from ground handling, cargo and fuel farm as aeronautical revenues and other issues for determination of aeronautical tariff for the First Control Period ("FCP") commencing from April 1, 2011 to March 31, 2016 by Airport Economic Regulatory Authority ('AERA'). During the previous year, the Adjudicating Authority, Telecom Disputes Settlement Appellate Tribunal (TDSAT), in its disposal order dated March 06, 2020 has directed AERA to reconsider the issues afresh while determining the aeronautical tariff for the Third Control Period commencing from April 01, 2021.

In relation to determination of tariff for the Second Control Period ("SCP"), commencing from April 1, 2016 to March 31, 2021, AERA had issued a consultation paper on December 19, 2017. However, as the aforesaid consultation paper does not address the issues arising out of the FCP, including true up for shortfall of receipt vis-a-vis entitlement for the FCP, GHIAL had filed a writ petition with the Hon'ble High Court at Hyderabad on February 6, 2018 and obtained a stay order from the High Court vide order dated February 7, 2018 in respect of further proceedings in determination of tariff order for the SCP. Pending determination of Aeronautical Tariff, AERA vide its order no. 48 dated March 25, 2019, has allowed GHIAL to continue to charge the aeronautical tariff as prevailed on March 31, 2016 till September 30, 2019 or till determination of tariff for the aforesaid period whichever is later. In view of the above, GHIAL has applied aeronautical tariff as prevailed on March 31, 2016 during the year ended March 31, 2020.

Consequently, AERA, in respect of the remainder of the SCP, i.e. from April 1, 2020 to March 31, 2021, has determined the Aeronautical tariff vide its Order no: 34/2019-20/HIAL dated March 27, 2020. Accordingly, GHIAL has applied aeronautical tariff as per the aforesaid order, for the six months period ended 30 September 2020.

On July 24, 2020, GHIAL has filed an application with the AERA for determination of Aeronautical tariff for the Third Control period commencing from April 1, 2021 to March 31, 2026.

16. As detailed in note 9, to these Unaudited Condensed Interim Consolidated Financial Statements, certain incomes/credits are not considered by GHIAL for computation of concession fee payable to MoCA basis a legal opinion obtained. Accordingly, the following sources of income have not been considered for accrual of the concession fee:

Description	**Incomes forming part of**	**For the six months period ended September 30, 2020**	**For the six months period ended September 30, 2019**
Discounting on fair valuation of deposit received from concessionaries	Revenue from operations	4.33	2.83
Income recognized under Ind AS 116		0.82	1.04
Income recognized on advance from customers		0.55	0.54
Income arising from fair valuation of financial guarantee #	Other income	0.72	0.42
Income from government grant		2.64	2.64
Discounting on fair valuation of deposit paid vendor		0.17	0.72
Amortisation of deferred income		0.12	0.40

#These transactions got eliminated in the consolidated financial statement of the Group.

17. In case of GACAEL, the Bureau of Civil Aviation (BCAS), through its order dated April 28, 2010, decided that there shall be a Sterile Cargo Holding Area at the Airports. The access to cargo processing area will be regulated by airport entry permits issued by BCAS. Accordingly, Central Investigative Security Force (CISF) personnel were deployed as per the instructions of BCAS and the security charges includes accrual of security cost of CISF personnel amounting to Rs. 0.36 (March 31, 2020: Rs. 0.36). With effect from July 1, 2019 vide AIC No. 15/2019 dated June 19, 2019, the collection of Passenger Service Fee (Security Component) is replaced with Aviation Security Fee (ASF). ASF will be collected and remitted by airlines to the National Aviation Security Fee Trust (NASFT). All expenses relating to CISF will be met through NASFT directly. Accordingly, the Group has discontinued recognition of salary provision of CISF personnel deputed at cargo terminal from July 1, 2019. The Management is confident that there would be no additional liability other than the amount accrued in the books of account.

18. The Group has undertaken necessary steps to comply with the transfer pricing regulations. The Management is of the opinion that the international and domestic transactions are at arm's length and believes that the aforesaid legislation will not have any impact on the Unaudited Condensed Interim Consolidated Financial Statements.

19. Reimbursement of expenses claimed by GHIAL from its customers (i.e., concessioners and other parties) in accordance with the respective arrangement have been reduced from the respective expense head as mentioned in the table below:

Expense head	For the six months period ended September 30, 2020	For the six months period ended September 30, 2019
Electricity and water charges	6.51	13.49
Salaries, wages and bonus	0.26	0.21
Staff welfare expenses	0.24	0.37
Repairs and maintenance - IT Services	1.15	0.19
Legal and professional expense	-	0.10
Miscellaneous expense	6.30	0.17

20. **Capital work in progress:**

	September 30, 2020	March 31, 2020
Capital expenditure incurred on property, plant and equipment	1,324.59	1,063.76
Legal and professional expense	164.33	145.78
Employee benefits expense	0.95	0.75
Finance costs*	329.04	216.60
Other expenses	7.00	5.94
Total (i)	**1,825.91**	**1,432.83**
Less:- Other income		
Interest income from bank deposit	(110.81)	(95.76)
Interest income on security deposit	(1.90)	(1.24)
Temporary lease rentals	(0.57)	(0.57)
Total (ii)	**(113.28)**	**(97.57)**
Net Capital work in progress (i+ii)	**1,712.63**	**1,335.26**

During the six months period ended September 30, 2020 the Group has capitalized the following expenses of revenue nature to the capital work-in-progress (CWIP). Consequently, expenses disclosed under other expenses are net of amounts capitalized by the Group.

Particulars	For the six months period ended September 30, 2020	For the six months period ended September 30, 2019
Opening Balance (A)	**271.50**	**121.57**
Revenue expense:		
Legal and professional expense	18.58	17.17
Employee benefits expense	0.20	-
Finance cost	112.77	114.96
Other expenses	1.06	2.61
Total (B)	**132.61**	**134.74**
Less: Other income		
Interest income from bank deposit	(15.06)	(62.52)
Interest income on security deposit	(0.66)	-
Total (C)	**(15.72)**	**(62.52)**
Less: Capitalized during the year(D)	**(0.35)**	**(3.19)**
Net (E=A+B+C+D)	**388.04**	**190.60**

21. Details of additions to Property, Plant and Equipment is as below:

Class of the asset	For the six months period ended September 30, 2020	For the six months period ended September 30, 2019
Leasehold improvements	-	0.74
Buildings on leasehold land	13.47	18.05
Electrical installations	13.66	10.90
Plant and machinery	16.21	6.97
Office equipments	0.91	1.90
Computers	4.20	21.28
Furniture and fixtures	3.04	1.61
Vehicles	0.16	0.11
Total	**51.65**	**61.56**

22. The Hon'ble Orissa High Court vide Judgement in W.P. No.20463/2018, in the case of Safari Retreats Private Limited, observed that the GST provisions w.r.t input tax credit allowability in respect of Civil work are not in line with the objective of the Act, and accordingly, held that if an assessee is required to discharge GST on the rental income, it is eligible to avail the Input Tax Credit (ITC) of GST w.r.t. civil work. GHIAL is engaged in rendering output supplies which is in the nature of letting out space/ facilities to various airline operators and other parties/concessionaires, in return for consideration, known by different nomenclatures and are given that the same is leviable to GST. Hence, GHIAL has availed the GST ITC in respect of the costs for civil work incurred as part of the expansion project and regular operations, upon application of the said judicial pronouncement. Further, department has filed an appeal in Hon'ble Supreme Court of India against the judgement of Hon'ble Orissa High Court. Pending outcome of judgement of Hon'ble Supreme Court of India, considering the judgement of Hon'ble Orissa High Court and based on the opinion obtained by GHIAL in this regard, the GHIAL's Management is of the view that GST ITC in respect of such civil work is eligible to be availed by GHIAL. Having regard to the same, GST ITC amounting to Rs. 307.39 (including Rs. 256.71 pertaining to earlier years) has been claimed in GST returns. Further, GHIAL has filed a writ petition (10367/2020) with Hon'ble High Court of Telangana requesting to strike down the relevant provisions of GST which denies ITC in respect of works contract services or goods and services received for construction of immoveable property (other than plant & machinery). The Hon'ble High Court had passed interim order directing the Respondents to not take any coercive action against the petitioner.

23. GHAL has entered into a joint venture arrangement with ESR Hyderabad 1 Pte. Limited (ESR), a subsidiary of the Hong Kong headquartered ESR Cayman Limited, to develop 66-acre logistics and industrial park at the Hyderabad Airport in the SPV viz., GMR Logistics Park Private Limited ('GLPPL'). ESR and GHAL for the said transaction have entered into definitive agreements with an equity interest of 70% and 30% respectively in GLPPL. Accordingly, the retained interest of 30% in GLPPL is measured at fair value as on the date of loss of control in GLPPL.

For the year ended 31 March 2020, pending completion of legal formalities which were consummated in the month of April 2020, the arrangement was classified as investment in subsidiary held for sale as of 31 March 2020.

Details of assets and liabilities classified as held for sale as of 31 March 2020 are as under:

Particulars	Amount
Cash and cash equivalent*	58.44
Other current assets	0.01
Assets classified as held for sale	**58.45**
Other financial liabilities*	41.33
Trade payables	0.01
Other current liabilities	0.01
Liabilities directly associated with assets classified as held for sale	**41.35**

*Other financial liabilities represent share application money pending allotment of Rs. 41.33 (after elimination) received from ESR and cash and cash equivalent of Rs.58.44 represent the total share application money received.

24. In May 2020, GHAL entered into an arrangement with GLPPL to sub-lease a parcel of land for a period of 18 years which can be further extended by additional 30 years at the option of GLPPL. While, the arrangement is effective from 11 May 2020, however since compliances with certain mandatory conditions of the said arrangement by both the parties is pending and the underlying asset (i.e., Land) has not been made available for use by GLPPL, currently lease income resulting from the terms of this arrangement has not been accounted and the amounts received by GHAL pursuant to the said arrangement aggregating to Rs.30.71, has been presented as other non-current liabilities in the accompanying Unaudited Condensed Interim Consolidated Financial Statements.

25. During the financial year ended 2019, the Company had entered into a term loan facility arrangement with Yes Bank Limited ("YBL" or "Bank"), to avail a loan of Rs. 4,200, and had incurred an up-front processing fee of Rs. 63. However, in view of certain developments, the Bank expressed its inability to extend the loan, and accordingly on 21 April 2020 the arrangement was terminated. Further YBL vide their letter dated June 9, 2020 acknowledged the receipt of request from the Company for refund of the aforesaid up-front fees and to present the Company's request to the appropriate committees for approvals. Further, management has obtained legal opinion from an independent lawyer regarding the Company's right to receive the refund of upfront fee. In view of the above and on the basis of on-going discussions with the Bank officials, management is confident of the recovery of the said amount in full, and accordingly, no adjustment were considered necessary in the accompanying Unaudited Condensed Interim Consolidated Financial Statements for the six months period ended September 30, 2020.

26. **Utilization of money raised through issue of Senior Secured Notes (SSN)**

In April 2019, GHIAL had raised USD 300 million (INR 2,067.15) through issue of 5.375% Senior Secured Notes (SSN) from overseas market to fund the airport expansion plan. Details of utilization of funds raised are as under:

	For the period ended September 30, 2020	For the year ended March 31, 2020
Unutilised amount at the beginning of the year	749.23	-
Amount raised during the year	-	2,067.15
Less: Utilized for capital project works	(375.05)	(1,413.67)
Add: Income on idle funds	15.06	95.75
Unutilised amount at the end of the year / period	**389.24**	**749.23**

Details of temporary investments made from unutilized portion of SSN's:

	September 30, 2020	March 31, 2020
Funds parked in:		
- Current accounts	2.53	43.02
- Fixed deposits*	386.71	706.21
Total	**389.24**	**749.23**

* including interest accrued of Rs. 5.62 (March 31, 2020: Rs. 11.21)

27. During the period, Air India Limited ("Air India"), in harmony with the Schedule of Airport Charges of GMR Hyderabad International Airport Limited, has agreed to settle the interest claim on delayed payments made by them during the period from 1 April 2008 to 31 March 2019 at Rs. 29.98 (including Rs. 4.77 in relation to payments towards the PSF (SC) Fund). Accordingly, GHIAL has recognized interest income of Rs. 25.21 under the head "Other income" during the six months period ended 30 September 2020.

28. Subsequent to the period ended 30 September 2020, the Board of the Holding Company, has approved a Scheme for Arrangement (the "Scheme") to demerge rent yielding warehousing business of GHAL into GMR Hyderabad Airport Assets Limited, a wholly owned subsidiary, incorporated on 25 November 2020. The said Scheme is drawn in accordance with the provisions of Section 233 of the Act and necessary regulatory approvals is awaited as on the date of adoption of these Unaudited Condensed Interim Consolidated Financial Statements.

29. Corresponding figures have been reclassified /regrouped wherever necessary.

This is the summary of significant accounting policies and other explanatory information referred to in our review report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
ICAI Firm Registration Number: 001076N/N500013

Digitally signed by Sanjay Kumar Jain
Date: 2021.01.21 21:05:14 +05:30

Sanjay Kumar Jain
Partner
Membership No.: 207660

Place: Hyderabad
Date: January 21, 2021

For K S Rao & Co.,
Chartered Accountants
ICAI Firm Registration Number: 003109S

Hitesh Kumar P Jain
Digitally signed by Hitesh Kumar P Jain
Date: 2021.01.21 19:39:24 +05'30'

Hitesh Kumar P
Partner
Membership No.:233734

Place: Bengaluru
Date: January 21, 2021

For and on behalf of the Board of Directors of
GMR Hyderabad International Airport Limited

BUCHISA NYASI RAJU GRANDHI
Digitally signed by BUCHISANYASI RAJU GRANDHI

GBS Raju
Managing Director
DIN.: 00061686

CHALLA PRASANNA
Digitally signed by CHALLA PRASANNA
Date: 2021.01.21 17:39:33 +05'30'

C Prasanna
Director
DIN.: 01630300

PRADEEP PANICKER
Digitally signed by PRADEEP PANICKER
Date: 2021.01.21 15:45:38 +05'30'

Pradeep Panicker
Chief Executive Officer

Place: New Delhi
Date: January 21, 2021

P ANAND KUMAR
Digitally signed by P ANAND KUMAR
Date: 2021.01.21 15:49:37 +05'30'

Anand Kumar P
Chief Financial Officer

Place: Hyderabad
Date: January 21, 2021

ANUP KUMAR SAMAL
Digitally signed by ANUP KUMAR SAMAL
Date: 2021.01.21 15:50:36 +05'30'

Anup Kumar Samal
Company Secretary

Place: Hyderabad
Date: January 21, 2021

Walker Chandiok & Co LLP
Chartered Accountants
7th Floor, Block III, White House
Kundan Bagh, Begumpet,
Hyderabad 500 016, India

K. S. Rao & Co.,
Chartered Accountants
2nd Floor, 10/2, Khivraj Mansion,
Kasturba Road, Bengaluru 560001,
Karnataka, India

Independent Auditor's Report

To the Members of GMR Hyderabad International Airport Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of GMR Hyderabad International Airport Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its joint venture, as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at 31 March 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the separate financial statements and on the other financial information of the subsidiaries and joint venture the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the consolidated state of affairs of the Group, its joint venture, as at 31 March 2020, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 18 and 19 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

Walker Chandiok & Co LLP
Chartered Accountants
7th Floor, Block III, White House
Kundan Bagh, Begumpet,
Hyderabad 500 016, India

K. S. Rao & Co.,
Chartered Accountants
2nd Floor, 10/2, Khivraj Mansion,
Kasturba Road, Bengaluru 560001,
Karnataka, India

Emphasis of Matter - PSF(SC) Fund

4. We draw attention to Note 37(I)(B)(xxii) to the consolidated financial statements, which describes the uncertainty relating to outcome of litigation pertaining to the costs related to procurement of security equipment, construction of residential quarters for Central Industrial Security Force deployed at the Rajiv Gandhi International Airport, Hyderabad and other costs which have been adjusted from the PSF(SC) Fund up to 31 March 2018, pending final decision from the Hon'ble High Court of Telangana and the consequential instructions from the Ministry of Civil Aviation. Our opinion is not modified in respect of this matter.

Emphasis of Matter – Covid-19

5. We draw attention to Note 2.3 of the accompanying consolidated financial statements which describes the uncertainties due to the outbreak of Covid-19 pandemic and the management's evaluation of the impact on the consolidated financial statements of the Company as at the balance sheet date. Our opinion is not modified in respect of this matter.

Key Audit Matters

6. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries and joint venture, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

7. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
1. Utilisation of Minimum Alternate Tax (MAT) credit *Refer to Note 2.6(u) for the accounting policy and note 43 for the financial disclosures in the accompanying consolidated financial statements.* The Holding Company is under tax holiday period until financial year 2021-22 and has accumulated MAT credit asset of ₹457.11 crores (31 March 2019: ₹405.41 crores). Recognition of MAT credit asset requires significant judgement regarding the likelihood of its realization within the specified period through estimation of future taxable profits of the Company and consequently there is a risk that the MAT credit asset may not be realized within the specified period, if these future projections are not met. In order to assess the utilization of MAT credit, the Holding Company has prepared	Our audit procedures in relation to assessment of MAT credit recognition and its utilization as at reporting date, included, but were not limited to the following: • Assessed and tested the design and operating effectiveness of the Company's controls over recognition of the MAT credit. • Understood the process and tested the internal controls over preparation of the taxable profit forecast based on reasonable and supportable assumptions and inputs to the model used to estimate the future taxable profits; • Understood and tested the controls surrounding management's evaluation of litigations and contingent liabilities; • Challenged the judgements exercised by the management and tested the key assumptions used including the impact of COVID-19 based on our knowledge of the industry, publicly

revenue and profit projections which involved judgements and estimations such as estimating aeronautical tariff [which is determined by Airport Economic Regulatory Authority ("AERA")], revenue growth, passenger growth, profit margins, tax adjustments under the Income-tax Act, 1961. Further, as explained in note 46, the Holding Company had filed an appeal, challenging various aspects of the aeronautical tariff order passed by AERA in respect of first control period from 1 April 2011 to 31 March 2016. During the current year, Telecom Disputes Settlement Appellate Tribunal (TDSAT) has directed AERA to reconsider the issues afresh while determining the aeronautical tariff for the Third Control Period commencing from 1 April 2021. We have identified this as a key audit matter for current year audit owing to the materiality of the amounts involved and inherent subjectivity involved in the determination of utilization of MAT credit through estimation of future taxable profits and projected aeronautical tariff revenue which involved determination by AERA and being a subject matter of litigations.	available information and Company's strategic plans; • Compared the prior year expected tax profits with the actual results to determine the efficacy of the management's budgeting process; • Tested the appropriateness of the forecasted tax liability computation as per the provisions of the IT Act, including assessment of the eligibility of various tax exemptions availed and MAT liability computation as per Section 115JB of the IT Act; • Obtained and evaluated sensitivity analysis performed by the management on aforesaid key assumptions and performed further independent sensitivity analysis to determine impact of estimation uncertainty on the future taxable profits; • Obtained and reviewed the documents with respect to the litigations during the year with AERA and the related order issued by TDSAT; and • Assessed the appropriateness and adequacy of the related disclosures in the standalone financial statements in accordance with the applicable accounting standards.

Key audit matter	How our audit addressed the key audit matter
2. Valuation of derivative financial instruments *Refer to Note 2.6 (n)(E) for the accounting policy and note 40 for the financial disclosures in the accompanying consolidated financial statements.* The Holding Company has entered into derivative financial instruments, i.e. cross currency swap, coupon only swap and call spread options to hedge its foreign currency risks relation to the long-term debt issued in foreign currency. Management has designated these derivative financial instruments and the aforesaid debt at initial recognition as cash flow hedge relationship as per Ind AS 109, Financial Instruments.	Our audit procedures to test the valuation of derivative financial instruments included, but were not limited to the following: • Assessed and tested the design and operating effectiveness of the Company's controls over derivative financial instruments and the related hedge accounting; • Reviewed the management documentation for the designated hedge instrument which defines the nature of hedge relationship; • Considered consistent application of the accounting policies and assessed the hedge accounting methodologies applied; and compared these to the Company's accounting policies and requirements under Ind AS 109, Financial Instruments.

The valuation of hedging instrument is complex and necessitates a sophisticated system to record and track each contract and calculate the related valuations at each financial reporting date. Since valuation of hedging instruments and consideration of hedge effectiveness involves both significant assumptions and judgements such as such as forward exchange spot, forward rates, currency yield curves, interest rate curves and forward rate curves and involvement of management's valuation specialist, and therefore, is subject to an inherent risk of error. We have identified valuation of hedging instruments as a key audit matter in view of the aforesaid significant judgements, estimates and complexity involved.	• Evaluated the management's valuation specialist's professional competence, expertise and objectivity; • involved a specialist for testing the accuracy and reasonableness of the input data, assumptions used and testing the fair values of derivative financial instruments and compared the results to management's results; • Assessed the appropriateness and adequacy of the related disclosures in the standalone financial statements in accordance with the applicable accounting standards.

Key audit matter	How our audit addressed the key audit matter
3. Testing of capital-work-in-progress *Refer to Note 2.6 (e) for the accounting policy and notes 3 and 32 for the financial disclosures in the accompanying consolidated financial statements.* The Holding Company is in the process of expansion of Rajiv Gandhi International Airport, Hyderabad. Determining whether expenditure meets the capitalization criteria in line with Ind AS 16, Property, Plant and Equipment and the Company's accounting policy, specifically with regard to whether they are operational or capital in nature, involves significant management judgement. Further, the tariff determination by AERA for different control periods with respect to the aeronautical services is linked to the Regulated Asset Base, which is based on the fixed asset balance and considering these additions are significant to the asset base of the Company, we have assessed inappropriate capitalization as a significant risk as part of our audit strategy. Such aforementioned capital expenditure has been funded from the specific borrowings raised for such purpose. Accordingly, the borrowing cost incurred	Our audit procedures to assess appropriate capitalisation of such expenditure included, but were not limited to the following: • Assessed the design and implementation and tested the operating effectiveness of key controls surrounding the capitalization of costs. • Reviewed management's capitalisation policy, including application of the aforesaid policy, to assess consistency with the requirements set out by Ind AS 16, Property, Plant and Equipment. • Compared the additions with the budgets and the orders given to the vendors. • Ensured that the borrowing cost capitalized is as per Ind AS 23 Borrowing Costs. • Tested the additions on a sample basis for their nature and purpose to ensure that the capitalization is as per company's accounting policy. • Assessed the appropriateness and adequacy of the related disclosures in the standalone financial statements in accordance with the applicable accounting standards.

on such borrowings have been included as a capital expenditure in accordance with the provisions of Ind AS 23, Borrowing Costs. Owing to the above factors, we have identified this as a key audit matter for current year audit due to the significance of the capital expenditure incurred during the year.	

Key audit matter	How our audit addressed the key audit matter
4. Assessment of impairment in the carrying value of the Maintenance, Repair and Overhauling division (MRO) – Cash Generating Unit ("MRO CGU") *Refer to Note 2.6 (i) for the accounting policy and notes 53 for the financial disclosures in the accompanying consolidated financial statements.* The auditors of GMR Air Cargo and Aerospace Engineering Limited ("GACAEL"), a wholly owned subsidiary of the Holding Company have reported as follows: At each reporting period, the subsidiary assesses the carrying value of CGU to determine whether there is any indication that the MRO CGU has suffered an impairment loss. If any indication exists, the subsidiary estimates the recoverable amount. As indicated in Note 53 of the consolidated financial statements, owing to the past accumulated losses of the MRO CGU and occurrence of the Covid-19 pandemic, the management has assessed the impairment of the carrying value of the MRO CGU as at 31 March 2020. Basis ADP deal, the Management has determined the recoverable amount of MRO CGU. Additionally, the Management has used value-in-use approach and has applied significant judgements, assumptions related to capacity utilization, revenue growth, margins and selection of discount rates.	The auditor's of GACAEL, have reported as follows: Our audit procedures in relation to assessing the carrying value of the MRO CGU included but were not limited to, the following: • Evaluated the design and implementation and operating effectiveness of internal controls relating to the Management's assessment of the impairment workings of MRO CGU; • Assessed the reasonableness of the key business assumptions such as capacity utlisation, revenue growth rate and margins by understanding the Management's plan and by performing retrospective testing; • Assessed the reasonableness of the valuation model using market assumptions namely the discount rate adopted for the valuation with the assistance of our internal valuation experts (including for COVID19 impact); • Performed sensitivity analysis around the key assumptions and stress-tested for various scenarios (considering COVID19 impact) to determine if any changes to key assumptions would impact the recoverable amounts; • In respect of the agreement between GMR Group and ADP, discussed with the Management and GMR Group to understand the implications insofar as the MRO CGU is concerned. Verified certain key terms of the agreement/documents in public domain. Compared and correlated the value attributed to the MRO CGU with the carrying value, to determine if there is impairment; • In respect of COVID-19 impact, performed corroborative enquiries with the Management

We have identified the estimation of the recoverable amount of MRO CGU as a key audit matter because these assumptions are of particular importance due to the level of uncertainties and the judgements involved, thus changes in these assumptions could have a significant impact on the recoverable amount of MRO CGU.	to understand the impact and how this affected the projections; • We have assessed the disclosures made by GACAEL in relation to this matter; and • The results of impairment testing were also approved by the Board of Directors.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

8. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

9. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its joint venture in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

10. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its joint venture are responsible for assessing the ability of the Group and of its joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Walker Chandiok & Co LLP
Chartered Accountants
7th Floor, Block III, White House
Kundan Bagh, Begumpet,
Hyderabad 500 016, India

K. S. Rao & Co.,
Chartered Accountants
2nd Floor, 10/2, Khivraj Mansion,
Kasturba Road, Bengaluru 560001,
Karnataka, India

11. Those Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group and of its joint venture.

Auditor's Responsibilities for the Audit of the Financial Statements

12. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

13. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint venture to cease to continue as a going concern; and

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group, and its joint venture, to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

K.S. RAO & CO. Chartered Accountants BENGALURU

14. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

15. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

16. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

17. Due to the Covid-19 related lock-down restrictions, auditors of GACAEL and GMR Hospitality & Retail Limited ("GHRL") (collectively referred as "Subsidiary Auditors") were not able to physically observe the stock verification that was carried out by the management. Consequently, the subsidiary auditors, have performed alternative procedures to audit the existence of inventory as per the guidance provided in SA 501 "Audit Evidence – Specific Considerations for Selected Items" and have obtained sufficient appropriate audit evidence to issue unmodified opinion on the financial statements of GACAEL and GHRL. Our opinion is not modified in respect of this matter.

18. We did not audit the financial statements of three (3) subsidiaries, whose financial statements reflects total assets of ₹703.08 crores and net assets of ₹25.95 crores as at 31 March 2020, total revenues of ₹564.46 crores and net cash inflows amounting to ₹7.66 crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit (including other comprehensive income) of ₹4.52 crores for the year ended 31 March 2020, as considered in the consolidated financial statements, in respect of its joint venture, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint venture, are based solely on the reports of the other auditors.

19. We did not jointly audit the financial statements of three (3) subsidiaries, whose financial statements reflects total assets of ₹497.92 crores and net assets of ₹183.22 crores as at 31 March 2020, total revenues of ₹37.66 crores and net cash inflows amounting to ₹76.47 crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited solely K.S Rao & Co., ('KSR') one of the joint auditors of the Holding Company, whose reports have been furnished to us by the management and Walker Chandiok & Co LLP's ("WCC") opinion so far as it relates to the amounts and disclosures included in respect of the aforesaid subsidiaries, and WCC's report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports issued by KSR in its individual capacity.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters in paragraph 18 and 19 with respect to our reliance on the work done by and the reports of the other auditors.

Walker Chandiok & Co LLP
Chartered Accountants
7th Floor, Block III, White House
Kundan Bagh, Begumpet,
Hyderabad 500 016, India

K. S. Rao & Co.,
Chartered Accountants
2nd Floor, 10/2, Khivraj Mansion,
Kasturba Road, Bengaluru 560001,
Karnataka, India

20. The consolidated financial statements of the Company for the year ended 31 March 2019 were audited by the Joint auditors K. S. Rao & Co., and predecessor auditor, S. R. Batliboi & Associates LLP, who have expressed a qualified opinion on those financial statements vide their audit report dated 23 July 2019. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

21. As required by section 197(16) of the Act, based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph 18 and 19, on separate financial statements of the subsidiaries and joint venture, we report that the Holding Company, 6 subsidiary companies covered under the Act paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that the provisions of section 197 read with Schedule V to the Act are not applicable to 1 subsidiary companies and 1 joint venture company covered under the Act, since none of such companies is a public company as defined under section 2(71) of the Act.

22. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the report (s) of the other auditor(s) on separate financial statements and other financial information of the subsidiaries and joint venture, we report, to the extent applicable, that:

a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

c) the consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

d) in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act;

e) on the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and joint venture companies covered under the Act, none of the directors of the Group companies and joint venture company covered under the Act, are disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.

f) with respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiary companies, associate companies and joint venture companies covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'; and

g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and joint venture:

K.S. RAO & CO. Chartered Accountants BENGALURU

Walker Chandiok & Co LLP
Chartered Accountants
7th Floor, Block III, White House
Kundan Bagh, Begumpet,
Hyderabad 500 016, India

K. S. Rao & Co.,
Chartered Accountants
2nd Floor, 10/2, Khivraj Mansion,
Kasturba Road, Bengaluru 560001,
Karnataka, India

i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its joint venture as detailed in Note 37(I) to the consolidated financial statements;

ii. provision has been made in these consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts;

iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies and joint venture company covered under the Act, during the year ended 31 March 2020; and

iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

Sanjay Kumar Jain
Partner
Membership No.: 207660
UDIN: 20207660AAAACK1922

Place: Hyderabad
Date: 22 July 2020

For K. S. Rao & Co.,
Chartered Accountants
Firm Registration No.: 003109S

Hitesh Kumar P
Partner
Membership No.: 233734
UDIN: 20233734AAAAEM2786

Place: Bengaluru
Date: 22 July 2020

Walker Chandiok & Co LLP
Chartered Accountants
7th Floor, Block III, White House
Kundan Bagh, Begumpet,
Hyderabad 500 016, India

K. S. Rao & Co.,
Chartered Accountants
2nd Floor, 10/2, Khivraj Mansion,
Kasturba Road, Bengaluru 560001,
Karnataka, India

Annexure 1
List of subsidiaries and joint venture included in the Statement

Subsidiaries
1. GMR Hospitality and Retail Limited
2. GMR Air Cargo and Aerospace Engineering Limited
3. GMR Hyderabad Aerotropolis Limited
4. GMR Hyderabad Aviation SEZ Limited
5. GMR Logistics Park Private Limited
6. GMR Aero Technic Limited

Joint venture
1. Laqshya Hyderabad Airport Media Private Limited

Walker Chandiok & Co LLP
Chartered Accountants
7th Floor, Block III, White House
Kundan Bagh, Begumpet,
Hyderabad 500 016, India

K. S. Rao & Co.,
Chartered Accountants
2nd Floor, 10/2, Khivraj Mansion,
Kasturba Road, Bengaluru 560001,
Karnataka, India

Annexure A to the Independent Auditor's Report of even date to the members of GMR Hyderabad International Airport Limited on the consolidated financial statements for the year ended 31 March 2020

Independent Auditor's Report on the internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of GMR Hyderabad International Airport Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its joint venture as at and for the year ended 31 March 2020, we have audited the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and joint venture company, which are companies covered under the Act, as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, its subsidiary companies, its joint venture company, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and joint venture company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and joint venture company as aforesaid.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion and based on the consideration of the reports of the other auditors on internal financial controls with reference to financial statements of the subsidiary companies and joint venture company, the Holding Company, its subsidiary companies and joint venture company, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2020, based on internal control over financial reporting criteria established considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

Other Matter

9. We did not audit the internal financial controls with reference to financial statements insofar as it relates to three (3) subsidiary companies, which are companies covered under the Act, whose financial statements reflect total assets of ₹703.08 crores and net assets of ₹25.95 crores as at 31 March 2020, total revenues of ₹564.46 crores and net cash inflows amounting to ₹7.66 crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit (including other comprehensive income) of ₹4.52 crores for the year ended 31 March 2020, in respect of a joint venture company, which are companies covered under the Act, whose internal financial controls with reference to financial statements have not been audited by us. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary companies and joint venture company have been audited by other auditors whose report have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company, its subsidiary companies and joint venture company, as aforesaid, under Section 143(3)(i)

Walker Chandiok & Co LLP
Chartered Accountants
7th Floor, Block III, White House
Kundan Bagh, Begumpet,
Hyderabad 500 016, India

K. S. Rao & Co.,
Chartered Accountants
2nd Floor, 10/2, Khivraj Mansion,
Kasturba Road, Bengaluru 560001,
Karnataka, India

of the Act in so far as it relates to such subsidiary companies and joint venture companies is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

10. We did not jointly audit the internal financial controls with reference to financial statements insofar as it relates to three (3) subsidiary companies, which are companies covered under the Act, whose financial statements reflects total assets of ₹497.92 crores and net assets of ₹183.22 crores as at 31 March 2020, total revenues of ₹37.66 crores and net cash inflows amounting to ₹76.47 crores for the year ended on that date, as considered in the consolidated financial statements. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary companies have been audited solely by K.S Rao & Co., ('KSR') one of the joint auditors of the Holding Company, whose reports have been furnished to us by the management and Walker Chandiok & Co LLP's ("WCC") opinion on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company, its subsidiary companies and joint venture company, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies is based solely on the reports issued by KSR in its individual capacity. WCC's opinion is not modified in respect of this matter with respect to reliance on the work done by and on the reports issued by KSR.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

Sanjay Kumar Jain
Partner
Membership No.: 207660
UDIN: 20207660AAAACK1922

Place: Hyderabad
Date: 22 July 2020

For K. S. Rao & Co.,
Chartered Accountants
Firm Registration No.: 003109S

Hitesh Kumar P
Partner
Membership No.: 233734
UDIN: 20233734AAAAEM2786

Place: Bengaluru
Date: 22 July 2020

GMR Hyderabad International Airport Limited
CIN:U62100TG2002PLC040118
Consolidated Balance Sheet as at March 31, 2020
(All amounts in Rupees Crores, except otherwise stated)

	Notes	As at March 31, 2020	As at March 31, 2019
I. ASSETS			
1. Non-current assets			
Property, plant and equipment	3	2,707.86	2,464.10
Capital work-in-progress	32	1,335.26	436.12
Right of use asset	4.1	74.47	-
Intangible assets	4.2	61.92	56.42
Intangible assets under development		1.24	1.25
Investment in joint venture	5.1	19.25	14.75
Financial assets			
- Loans	6	17.37	21.56
- Other financial assets	7	865.00	239.85
Non-current tax assets	8.1	51.88	28.96
Deferred tax asset (net)	29	252.83	252.49
Other non-current assets	9	739.30	554.58
		6,126.38	**4,070.08**
2. Current assets			
Inventories	10	81.85	56.18
Financial assets			
- Investments	5.2	1,241.10	475.10
- Trade receivables	11	178.77	180.55
- Cash and cash equivalents	12	270.98	395.08
- Bank balances other than cash and cash equivalents	13	680.93	115.05
- Loans	6	217.13	55.79
- Other financial assets	7	147.63	32.28
Current tax assets	8.1	1.71	17.11
Other current assets	9	55.33	18.98
		2,875.43	**1,346.12**
Assets held for sale	61	58.45	-
Total Assets		**9,060.26**	**5,416.20**
II. EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	14	378.00	378.00
Other equity	15		
- Capital reserve		107.00	107.00
- Retained earnings		1,214.29	668.43
- Cash flow hedge reserve		165.06	31.72
Total equity attributable to equity holders of the parent		**1,864.35**	**1,185.15**
LIABILITIES			
1. Non-current liabilities			
Financial liabilities			
- Borrowings	16.1	5,685.81	3,176.53
- Lease liabilities		83.05	-
- Other financial liabilities	17	229.92	246.09
Government grants	18	35.59	40.87
Long term provisions	21	1.47	1.36
Deferred tax liability (net)	29	6.54	5.01
Other non-current liabilities	19	68.43	63.63
		6,110.81	**3,533.49**
2. Current liabilities			
Financial liabilities			
- Borrowings	16.2	19.92	37.94
- Trade payables	20		
-Total outstanding dues of micro and small enterprises		11.58	0.70
-Total outstanding dues of creditors other than micro and small enterprises		157.17	133.27
- Other financial liabilities	17	731.60	422.55
Government grants	18	5.27	5.27
Other current liabilities	19	59.35	42.84
Short term provisions	21	22.99	18.25
Current tax liability (net)	8.2	35.87	36.74
		1,043.75	**697.56**
Liabilities classified as held for sale	61	41.35	-
Total liabilities		**7,195.91**	**4,231.05**
Total Equity and Liabilities		**9,060.26**	**5,416.20**

The accompanying notes are an integral part of the Consolidated Financial Statements.

As per our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
ICAI Firm registration number: 001076N/N500013

Sanjay Kumar Jain
Partner
Membership No.: 207660

Place: Hyderabad
Date: July 22, 2020

For K.S.Rao & Co.,
Chartered Accountants
ICAI Firm registration number: 003109S

Hitesh Kumar P
Partner
Membership No.: 233734

Place: Bengaluru
Date: July 22, 2020

For and on behalf of the Board of Directors of
GMR Hyderabad International Airport Limited

GBS Raju
Managing Director
DIN: 00061686

H.J Dora
Director
DIN: 02385290

Pradeep Panicker
Chief Executive Officer

Anand Kumar P
Chief Financial Officer

Anup Kumar Samal
Company Secretary

Place: Hyderabad
Date: July 22, 2020

GMR Hyderabad International Airport Limited
CIN:U62100TG2002PLC040118
Consolidated Statement of Profit and Loss for the year ended March 31, 2020
(All amounts in Rupees Crores, except otherwise stated)

	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
Incomes			
Revenue from contracts with customers	22	2,012.47	1,876.05
Other income	23	122.55	126.05
Total income		**2,135.02**	**2,002.10**
Expenses			
Concession fee		68.50	61.53
Purchase of traded goods		82.92	59.65
Changes in inventory of traded goods	24	(15.63)	1.82
Employee benefits expense	25	225.50	191.91
Finance costs	26	286.63	248.75
Depreciation and amortization expenses	27	216.49	181.04
Other expenses	28	554.88	483.04
Total expenses		**1,419.29**	**1,227.74**
Profit before share of profit in joint venture and tax		**715.73**	**774.36**
Share of profit in joint venture		4.50	3.76
Profit before tax		**720.23**	**778.12**
Tax expense	29		
Current tax		118.20	168.70
Deferred tax expense/ (credit)		(7.43)	15.34
Minimum alternate tax credit entitlement		(51.70)	(136.31)
Total tax expense		**59.07**	**47.73**
Profit for the year		**661.16**	**730.39**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement losses on defined benefit plans		(1.91)	(1.13)
Share of other comprehensive income in joint venture		0.02	(0.04)
Income tax relating to items that will not be reclassified to profit or loss		0.18	0.08
Items that will be reclassified to profit or loss			
Cash flow hedge reserve	30	195.12	34.02
Income tax relating to items that will be reclassified to profit or loss		(61.78)	(17.04)
Total Other Comprehensive income for the period		**131.63**	**15.89**
Total comprehensive income for the period, net of tax		**792.79**	**746.28**
Profit attributable to			
Equity holders of the parent		661.16	724.00
Non controlling interest		-	6.39
Other comprehensive income attributable to			
Equity holders of the parent		131.63	15.94
Non controlling interest		-	(0.05)
Total comprehensive income attributable to			
Equity holders of the parent		792.79	739.94
Non controlling interest		-	6.34
Earnings per equity share			
Basic and diluted	31	17.49	19.15

The accompanying notes are an integral part of the Consolidated Financial Statements.

As per our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
ICAI Firm registration number: 001076N/N500013

Sanjay Kumar Jain
Partner
Membership No.: 207660

Place: Hyderabad
Date: July 22, 2020

For K.S.Rao & Co.,
Chartered Accountants
ICAI Firm registration number: 003109S

Hitesh Kumar P
Partner
Membership No.: 229734

Place: Bengaluru
Date: July 22, 2020

For and on behalf of the Board of Directors of
GMR Hyderabad International Airport Limited

GBS Raju
Managing Director
DIN: 00061686

H.J Dora
Director
DIN: 02385290

Pradeep Panicker
Chief Executive Officer

Anand Kumar P
Chief Financial Officer

Anup Kumar Samal
Company Secretary

Place: Hyderabad
Date: July 22, 2020

GMR Hyderabad International Airport Limited
CIN:U62100TG2002PLC040118
Consolidated Statement of Changes in Equity for the year ended March 31, 2020
(All amounts in Rupees Crores, except otherwise stated)

a. Equity share capital:

Equity shares of Rs. 10 each issued, subscribed and fully paid	No.	Amount
As at April 1, 2018	378,000,000	378.00
Issue of shares	-	-
As at March 31, 2019	378,000,000	378.00

	No.	Amount
As at April 1, 2019	378,000,000	378.00
Issue of shares	-	-
As at March 31, 2020	378,000,000	378.00

b. Other equity

	Attributable to the equity holders of the parent				Non-controlling interest	Total equity
	Reserves and surplus		Other reserves	Total		
	Capital reserve*	Retained earnings	Cash flow hedge reserve			
As at April 1, 2018	**107.00**	**148.56**	**14.74**	**270.30**	**58.27**	**328.57**
Profit for the year	-	724.00	-	**724.00**	6.39	730.39
Other comprehensive income	-	(1.04)	16.98	**15.94**	(0.05)	15.89
Total comprehensive income	**-**	**722.96**	**16.98**	**739.94**	**6.34**	**746.28**
Less: Interim dividend	-	(151.20)	-	**(151.20)**	(1.86)	(153.06)
Less: Dividend distribution tax	-	(31.15)	-	**(31.15)**	(0.30)	(31.45)
Add: Gain on acquisition of Non controlling interest	-	2.64	-	**2.64**	-	2.64
Less: Acquisition of Non controlling interest	-	-	-	**-**	(62.45)	(62.45)
Less: Depreciation charge to retained earnings	-	(21.11)	-	**(21.11)**	-	(21.11)
Less: Adjustment in retained earnings on account of adoption of Ind AS 115	-	(2.27)	-	**(2.27)**	-	(2.27)
As at March 31, 2019	**107.00**	**668.43**	**31.72**	**807.15**	**-**	**807.15**
Profit for the year	-	661.16	-	**661.16**	-	661.16
Other comprehensive income	-	(1.71)	133.34	**131.63**	-	131.63
Total comprehensive income	**-**	**659.45**	**133.34**	**792.79**	**-**	**792.79**
Less: Cash dividends	-	(94.50)	-	**(94.50)**	-	(94.50)
Less: Dividend distribution tax	-	(19.09)	-	**(19.09)**	-	(19.09)
As at March 31, 2020	**107.00**	**1,214.29**	**165.06**	**1,486.35**	**-**	**1,486.35**

*GMR Hyderabad International Airport Limited ("the Company") has received a contribution of Rs. 107.00 crore from its shareholder i.e. Government of Telangana as per the terms of State Support Agreement for construction of Airport. This contribution received from Government of Telangana has been recognised as capital contribution from a shareholder of the Company.

The accompanying notes are an integral part of the Consolidated Financial Statements.

As per our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
ICAI Firm registration number: 001076N/N500013

Sanjay Kumar Jain
Partner
Membership No.: 207660

Place: Hyderabad
Date: July 22, 2020

For K.S.Rao & Co.,
Chartered Accountants
ICAI Firm registration number: 003109S

Hitesh Kumar P
Partner
Membership No.: 233734

Place: Bengaluru
Date: July 22, 2020

For and on behalf of the Board of Directors of
GMR Hyderabad International Airport Limited

GBS Raju
Managing Director
DIN: 00061686

H.J Dora
Director
DIN: 02385290

Pradeep Panicker
Chief Executive Officer

Anand Kumar P
Chief Financial Officer

Anup Kumar Samal
Company Secretary

Place: Hyderabad
Date: July 22, 2020

GMR Hyderabad International Airport Limited
CIN:U62100TG2002PLC040118
Consolidated Cash Flow Statement for the year ended March 31, 2020
(All amounts in Rupees Crores, except otherwise stated)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Cash flow from operating activities		
Profit before tax	**720.23**	**778.12**
Adjustment to reconcile profit before tax to net cash flows:		
Share of profit in joint venture	(4.50)	(3.76)
Depreciation and amortization expenses	216.49	181.04
Bad debts written off	0.69	0.44
Impairment of goodwill	-	2.26
Inventories written off	0.26	0.33
Amortisation of deferred income	(0.85)	(14.52)
Provision for doubtful advances / debts	0.00	0.73
Unrealised foreign exchange loss	(2.66)	1.16
Loss / (gain) on sale / discard of property plant and equipment	1.45	1.67
Interest on financial assets at amortised cost	(82.70)	(51.54)
Interest receivable from PSF (Security Component) Fund written off	15.08	-
Gain on sale of financial assets (mutual funds)	(17.44)	(43.60)
Provision no longer required	(3.09)	(0.72)
Finance costs	286.63	248.75
Income from government grants	(5.28)	(5.26)
Gain on fair valuation of financial assets (mutual funds)	(1.13)	(0.10)
Operating profit before working capital changes	**1,123.18**	**1,095.00**
Working capital adjustments:		
Changes in trade payables	40.09	(1.08)
Changes in other liabilities	21.94	27.15
Changes in other financial liabilities	50.16	41.96
Changes in provisions	2.94	4.41
Changes in trade receivables	1.09	(53.76)
Changes in inventories	(25.93)	(0.78)
Changes in other assets	(186.45)	(10.44)
Changes in other financial assets	(90.29)	(18.78)
Changes in loans	(7.47)	(2.90)
Cash generated from operations	**929.26**	**1,080.78**
Direct taxes paid (net)	(127.80)	(161.95)
Net cash flow generated from operating activities (A)	**801.46**	**918.83**
Cash flows from investing activities		
Purchase of property plant and equipment, including capital work in progress, capital advances and intangible assets under development	(1,092.40)	(1,028.95)
Proceeds from sale of property, plant and equipment	0.47	0.18
Purchase of non-current investments	-	(59.75)
Cashoutflow on sale of investment in APFTAL	-	(0.45)
Loans to group companies	(199.68)	-
Repayment of loans by joint venture	-	2.33
Purchase of financial assests (mutual funds)	(11,609.42)	(7,889.48)
Sale of financial assets (mutual funds)	10,905.38	8,421.21
Interest received	110.61	30.94
Recovery/(Investments) in inter corporate deposits	50.00	(50.00)
Movement in other bank balances	(565.88)	(42.76)
Net cash flow used in investing activities (B)	**(2,400.92)**	**(616.73)**

GMR Hyderabad International Airport Limited
CIN:U62100TG2002PLC040118
Consolidated Cash Flow Statement for the year ended March 31, 2020
(All amounts in Rupees Crores, except otherwise stated)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Cash flows from financing activities		
Proceeds from long-term borrowings	2,106.56	120.94
Repayment of long-term borrowings	(6.52)	(123.65)
Repayment of short term borrowings, net	(18.02)	-
Interest paid including borrowing cost	(433.23)	(318.31)
Interest expense on lease liabilities	(1.46)	-
Dividend paid	(94.50)	(153.06)
Dividend distribution tax paid	(19.09)	(31.45)
Net cash flow generated from / (used in) financing activities (C)	**1,533.74**	**(505.52)**
Net decrease in cash and cash equivalents (A + B + C)	(65.72)	(203.42)
Cash and cash equivalents at the beginning of the year	395.08	598.55
Effects of exchange differences on cash & cash equivalents held in foreign currency	0.06	(0.05)
Cash and cash equivalents at the end of the year	**329.42**	**395.08**
Components of cash and cash equivalents		
Cash on hand and in transit	0.57	1.87
Balances with banks		
- in current account	69.59	40.20
- in exchange earner foreign currency account	8.67	2.99
- in deposit account	192.15	350.02
Cash and cash equivalents classified under asset held for sale (Refer note: 61)	58.44	-
Total cash and cash equivalents	**329.42**	**395.08**

Changes in liabilities arising from financing activities

Particulars		
Opening Balance	3,221.50	3,079.77
Cash flows		
Repayments of borrowings	(24.54)	(123.65)
Proceeds from borrowings	2,106.56	120.94
Non Cash flows		
Adjustment against investments in subsidiary company on its liquidation	(12.50)	-
Foreign exchange movements	430.65	150.55
Movement in borrowing cost	(8.36)	(6.11)
Closing balance	**5,713.32**	**3,221.50**

The accompanying notes are an integral part of the Consolidated Financial Statements.

As per our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
ICAI Firm registration number: 001076N/N500013

Sanjay Kumar Jain
Partner
Membership No.: 207660

Place: Hyderabad
Date: July 22, 2020

For K.S.Rao & Co.,
Chartered Accountants
ICAI Firm registration number: 003109S

Hitesh Kumar P
Partner
Membership No.: 233734

Place: Bengaluru
Date: July 22, 2020

For and on behalf of the Board of Directors of
GMR Hyderabad International Airport Limited

GBS Raju
Managing Director
DIN: 00061686

H.J Dora
Director
DIN: 02385290

Pradeep Panicker
Chief Executive Officer

Anand Kumar P
Chief Financial Officer

Anup Kumar Samal
Company Secretary

Place: Hyderabad
Date: July 22, 2020

1. Corporate information

GMR Hyderabad International Airport Limited ('GHIAL', 'Company' or 'the Holding Company') is a Public Limited Company domiciled in India, its subsidiaries and joint venture herein are collectively referred as "the Group". GHIAL was incorporated in 2002 under the provisions of the Companies Act, 1956 having their registered office at GMR Aero Towers, Rajiv Gandhi International Airport, Shamshabad, Hyderabad - 500 108. The Holding Company is engaged in the business of providing Airport Management Services on a Build, Owned, Operate and Transfer, and only operate model. Presently, the Company is managing the operations of Rajiv Gandhi International Airport ("RGIA" or "Airport") at Hyderabad, India and the airport in Bidar in Karnataka, India.

The Group is engaged in operation of airport infrastructure and other allied service such as cargo handling, development of airport city and SEZ area near airport, trading of goods in duty free area of airport, security services, hospitality services, development of logistics park and maintenance, repair and overhaul facility (MRO) of aircraft near and around the RGIA.

The Consolidated Financial Statements are authorized for issue in accordance with a resolution of the directors passed in the Board meeting held on July 22, 2020.

2. Significant accounting policies

2.1 Basis of preparation

The Consolidated Financial Statements of the Group have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and presentation requirement of Division II of schedule III to the Companies Act 2013, (Ind AS compliant Schedule III), as applicable to the Consolidated Financial Statements.

The Consolidated Financial Statements have been prepared on a historical cost basis, except for certain financial assets and liabilities (refer accounting policy regarding financial instruments) which have been measured at fair value.

Accounting policies have been consistently applied, except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The Consolidated Financial Statements are presented in Indian Rupees ("Rs.") and all the values are rounded to the nearest Crore, except per share data, per unit data and when otherwise indicated.

2.2 Basis of Consolidation

(i) Subsidiary

Subsidiary includes the entity over which the Group has control. The Group controls an entity when it is exposed or has right to variable return from its involvement with the entity, and has the ability to affect those returns through its power (that is, existing rights that give it the current ability to direct the relevant activities) over the entity. The Group re-assesses whether or not it controls the entity, in case the under-lying facts and circumstances indicate that there are changes to above mentioned parameters that determine the existence of control.

Subsidiary is fully consolidated from the date on which control is transferred to the Group, and they are deconsolidated from the date when control ceases.

(ii) Joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

K.S. RAO & CO. Chartered Accountants BENGALURU

GMR HYDERABAD INTERNATIONAL AIRPORT LTD. HYDERABAD

Joint ventures are accounted for from the date on which Group obtains joint control over the joint venture.

(iii) Method of consolidation

Accounting policies of the respective individual subsidiary, joint venture are aligned wherever necessary, so as to ensure consistency with the accounting policies that are adopted by the Group under Ind AS.

The Consolidated financial statements of subsidiary are fully consolidated on a line-by-line basis. Intragroup balances and transactions, and income and expenses arising from intra-group transactions, are eliminated while preparing the said financial statements. The un-realised gains resulting from intra-group transactions are also eliminated. Similarly, the un-realised losses are eliminated, unless the transaction provides evidence as to impairment of the asset transferred.

The Group's investments in its joint venture is accounted for using the equity method. Accordingly, the investments are carried at cost as adjusted for post-acquisition changes in the Group's share of the net assets of investee. Any excess of the cost over the Group's share of net assets in its joint venture at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment. The un-realised gains / losses resulting from transactions (including sale of business) with joint ventures are eliminated against the investment to the extent of the Group's interest in the investee. However, un-realised losses are eliminated only to the extent that there is no evidence of impairment.

At each reporting date, the Group determines whether there is objective evidence that the investment is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of investment and its carrying value.

Entities considered in the Consolidated Financial Statements as Subsidiaries are listed below:

Name	Principal activities	Place and Country of operation	% equity interest as March 31	
			2020	2019
GMR Hyderabad Airport Cargo and Logistics Private Limited (formerly known as Hyderabad Menzies Air Cargo Private Limited) (GHACLPL)#	Cargo handling operations at airport	Hyderabad, India	-	100%
Hyderabad Airport Security Services Limited (HASSL)*	Operation of airport allied services	Hyderabad, India	-	100%
GMR Hyderabad Aerotropolis Limited (GHAL)##	Development of commercial property	Hyderabad, India	100%	100%
GMR Hyderabad Aviation SEZ Limited (GHASL)	Development of SEZ	Hyderabad, India	100%	100%
GMR Hyderabad Airport Power Distribution Limited (GHAPDL)@	Development of power distribution facility	Hyderabad, India	-	100%
GMR Air Cargo and Aerospace Engineering Limited (GACAEL)(formerly GMR Aerospace Engineering Limited (GAEL)#	Cargo handling operations and operation of maintenance, repair and overhaul (MRO) of aircrafts at Airport	Hyderabad, India	100%	100%
GMR Hospitality and Retail Limited (GHRL)	Operation of business hotel and duty free	Hyderabad, India	100%	100%
GMR Aero Technic Limited (GATL)#	Operation of MRO	Hyderabad, India	100%	100%
GMR Logistics Park Private Limited (GLPPL)##	Development of logistics park	Hyderabad, India	100%	100%

Asia Pacific Flight Training Academy Limited (APFTAL)$	Flight Training	Hyderabad, India	-	-

The Hon'ble National Company Law Tribunal, Hyderabad Bench vide its Order dated July 26, 2019 has approved the composite scheme of arrangement [amongst M/s GMR Hyderabad Air Cargo And Logistics Private Limited ("GHACLPL" or "Transferor Company"), GMR Aero Technic Limited ("GATL" or "Demerged Company"), GMR Aerospace Engineering Limited ("GAEL" or "Transferee / Resulting Company") and their respective Shareholders and Creditors] whereby GHACLPL has merged with GAEL and Maintenance, Repair and Overhauling ("MRO") business of GATL have been demerged and merged with GAEL from August 23, 2019 (being the "effective date" but with effect from April 01, 2018 as "Appointed Date"). Further, the name of GMR Aerospace Engineering Limited has been changed to GMR Air Cargo and Aerospace engineering Limited ("GACAEL") w.e.f. September 25, 2019.

* Hyderabad Airport Security Services Limited ("HASSL") got voluntary liquidated under section 59 and other applicable provisions of the Insolvency and Bankruptcy Code of India 2016 read with the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017 and the Companies Act, 2013, as per the order from National Company Law Tribunal (NCLT) vide its order dated September 13, 2019. Subsequently, Form No. INC 28 was filed with the ROC on September 17, 2019 which was approved by the ROC on September 20, 2019 and accordingly HASSL got dissolved from that date.

On December 20, 2018, GHAL has incorporated a wholly owned subsidiary GMR Logistics Park Private Limited. Subsequent to the year end, pursuant to the Subscription Agreement and Shareholders' Agreement dated January 08, 2020 executed by and amongst GMR Logistics Park Private Limited (GLPPL), GMR Hyderabad Aerotropolis Limited (GHAL) and ESR Hyderabad 1 Pte. Limited, Singapore (ESR), GLPPL allotted 4,13,35,182 equity shares of Rs. 10 each at par to ESR and 16,965,078 equity shares of Rs. 10 each at par to GHAL on private placement basis by passing a circular resolution dated April 16, 2020. Consequently, the percentage shareholding of ESR and GHAL in GLPPL stands at 70 and 30 respectively, as a result of which, GLPPL has ceased to be a wholly owned subsidiary of GHAL with effect from April 16, 2020.

@ The Board of Directors of the GHAPDL in their meeting held on January 18, 2020 have approved the proposal for voluntary liquidation of GHAPDL by making an application to the Registrar of Companies ("RoC") seeking removal of GHADPL from their Records, and filed an application Form STK-2 for Striking Off GMR Hyderabad Airport Power Distribution Limited with RoC/ Ministry of Corporate Affairs.

$ The Holding Company has sold its 100% stake in Asia Pacific Flight Training Academy Limited pursuant to which it ceased to be a subsidiary with effect from March 01, 2019.

Information about joint venture

Name	Principal activities	Country of Incorporation	% equity interest as at March 31	
			2020	2019
Laqshya Hyderabad Airport Media Private Limited (LHAMPL)	Advertisement	India	49%	49%

2.3 Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID 19):
With the recent and rapid development of the COVID-19 outbreak, many countries have implemented travel restrictions and quarantine measures to contain the spread of the virus. As a precautionary measure, Government of India has also imposed a countrywide lockdown with effect from March 25, 2020 which is extended until June 30, 2020. However, restrictions on operation of domestic flights were partially lifted from May 25, 2020 and are being ramped up in phased manner, in accordance with the Government directives. As a result, the airport's operations (including the duty free and hotel operations) were closed from March 25, 2020 to May 24, 2020 except for cargo and evacuation / rescue flights for passengers, which in turn has

materially impacted the business of the Group. The MRO and air cargo business remains relatively less affected from demand point of review as MRO demand increased due to downtime of aircrafts, and air cargo business was classified as essential services. The Group had to face some issues related to non-availability of manpower and supply chain disruptions to cater to such demand. Presently, the Group has resumed the operations and are adhering to strict safety measures and Government guidelines.

The Group has made detailed assessment of its liquidity position for the next one year and has met and expect to meet all its obligations pertaining to debt repayments, the ongoing capital expansion and any other financial obligations. Further, due care has been exercised to determine the recoverability of the carrying values of its assets and based on current estimates, including sensitivity analysis, the Group expects to fully recover the carrying amount of all of its assets.

For this assessment, Management believes that it has taken into account the possible impact of known events arising from the COVID-19 pandemic. The unprecedented nature of the pandemic makes the future business environment uncertain, however, the Group will continue to carry out the impact assessment on its assets and closely monitor any material changes to future economic conditions.

2.4 Changes in accounting policies

Ind AS 116 Leases
On March 30, 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 which notified Ind AS 116 - Leases. The amendment rules are effective from reporting periods beginning on or after April 01, 2019. This standard replaces current guidance under Ind AS 17.

The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model.

Group as a Lessor:

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease. Lessor accounting under Ind AS 116 is substantially unchanged from requirement under Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 did not have an impact for leases where the Group is the lessor, except for recording the lease rent on systematic basis or straight line basis as against Ind AS 17 wherein, there was an exemption for not providing straight lining in case the escalations are in line with the inflation. For the year ended on March 31, 2020, the total income and consequently the profit before tax has increased by Rs. 2.09.

Group as a Lessee:

Right-of-use assets
The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain

to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities
At the commencement of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets
The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value (i.e., below Rs. 0.005). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Significant judgement in determining the lease term of contracts with renewal options
The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option under some of its leases to lease the assets for additional terms of three to five years. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

The Group included the renewal period as part of the lease term for leases of plant and machinery due to the significance of these assets to its operations. These leases have a short non-cancellable period (i.e., three to five years) and there will be a significant negative effect on production if a replacement is not readily available. The renewal options for leases of motor vehicles were not included as part of the lease term because the Group has a policy of leasing motor vehicles for not more than five years and, hence, not exercising any renewal options.

Transition provision:
Using the modified retrospective method, the Group has adopted and applied Ind AS 116 'Leases' to all lease contracts existing as on April 1, 2019. The Group elected to use the transition practical expedient allowing the standard to be applied to contracts that were previously identified as leases applying Ind AS 17 at the date of initial application. On 1 April 2019, the Group has recognised lease liability measured at the present value of the remaining lease payments and right-of-use (ROU) asset at an amount equal to lease liability. Accordingly, comparatives financial information has not been retrospectively adjusted.






The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases'), and lease contracts for which the underlying asset is of low value ('low-value assets').

Leases previously accounted for as operating leases
The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application and right-of-use (ROU) asset at an amount equal to lease liability.

The Group also applied the available practical expedients wherein it:

- Applied the short-term leases exemptions to leases with lease term that ends within 12 months at the date of initial application.
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

Based on the foregoing, as at 1 April 2019:

- Right-of-use assets of Rs. 77.37 were recognised and presented separately in the Balance Sheet.
- Lease liabilities of Rs. 76.54 were recognized and presented separately in the Balance Sheet
- Prepayments of Rs. 0.83 outstanding as at April 1, 2019 were derecognized.

The effect of adoption of Ind-AS 116 is not material to the profit for the year and earning per share.

The lease liabilities as at 1 April 2019 can be reconciled to the operating lease commitments as of 31 March 2019 as follows:

Particulars	Amount
Operating lease commitments as at March 31, 2019	762.28
Weighted average incremental borrowing rate as at April 1, 2019	10.73%
Discounted operating lease commitments at April 1, 2019	76.70
Less:	
Commitments relating to short-term leases	(0.16)
Commitments relating to leases of low-value assets	-
Add:	
Commitments relating to leases previously classified as finance leases	-
Payments in optional extension periods not recognized as at March 31, 2019	-
Lease liabilities as at 1 April 2019	**76.54**

2.5 Changes in estimates

Depreciation
Depreciation on the property plant and equipment is calculated on a straight-line basis using the rates arrived at, based on useful lives estimated by the management (except in case of airport assets which are prescribed by AERA as mentioned below), which coincides with the lives prescribed under Schedule II of the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

K.S. RAO & CO. Chartered Accountants BENGALURU

HYDERABAD INTERNATIONAL AIRPORT LTD. GMR HYDERABAD

On June 12, 2014, the Airport Economic Regulatory Authority ("the Authority") had issued a consultation paper viz.05/2014-15 in the matter of Normative Approach to Building Blocks in Economic Regulation of Major Airports wherein it, inter-alia, mentioned that the Authority proposes to lay down, to the extent required, the depreciation rates for airport assets, taking into account the provisions of the useful life of assets given in Schedule II of the Companies Act, 2013, for such assets that have not been clearly mentioned in the Schedule II of the Companies Act, 2013 or may have a useful life justifiably different than that indicated in the Companies Act, 2013 in the specific context to the airport sector.

Pursuant to the above, the Authority has issued order no. 35/2017-18 on January 12, 2018 followed by amendment no. 1 to the order no. 35 /2017-18 on April 9, 2018 in the matter of Determination of Useful Life of Airport Assets, which was effective from April 1, 2018 ("AERA Order"). Accordingly, the Group has revised the estimated useful lives of its airport assets to be in-line with the AERA Order effective April 1, 2018. Net block of the airport assets whose useful life was nil as at April 1, 2018 as per the AERA Order aggregating to Rs. 21.11, was adjusted to opening retained earnings as at April 1, 2018.

2.6 Statement of significant accounting policies

a. Use of estimates:

The preparation of Consolidated Financial Statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting year. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

The Group based its assumptions and estimates on parameters available when these Consolidated Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

b. Business combinations and goodwill:

Business combinations other than common control business combinations are accounted for using the acquisition method. The cost of an acquisition other than in a common control business combination is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred. Business combination involving entities under common control are accounted for using the pooling of interests method.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

i. Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.

ii. Liabilities or equity instruments related to share based payment arrangements of the acquiree or share based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.

iii. Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

iv. Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognized in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the

accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

c. Investment in joint ventures:

A jointly controlled entity is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the jointly controlled entity. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its jointly controlled entity are accounted for using the equity method. Under the equity method, the investment in a jointly controlled entity is initially recognized at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the jointly controlled entity since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the jointly controlled entity. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognized directly in the equity of the jointly controlled entity, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the jointly controlled entity is eliminated to the extent of the interest in the jointly controlled entity.

If an entity's share of losses of a joint venture equals or exceeds its interest in the jointly controlled entity (which includes any long term interest that, in substance, form part of the Group's net investment in the jointly controlled entity), the entity discontinues recognising its share of further losses. If the jointly controlled entity subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognized.

The aggregate of the Group's share of profit or loss of a jointly controlled entity is shown on the face of the statement of profit and loss.

The financial statements of the joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its jointly controlled entity. At each reporting date, the Group determines whether there is objective evidence that the investment in the jointly controlled entity is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the jointly controlled entity and its carrying value, and then recognises the loss as 'Share of profit of a jointly controlled entity' in the statement of profit or loss.

d. Current versus Non-current classification:

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when:

i) It is expected to be realised or intended to be sold or consumed in normal operating cycle
ii) It is held primarily for the purpose of trading
iii) It is expected to be realised within twelve months after the reporting period, or
iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period







All other assets are classified as non-current.

A liability is current when:

i) It is expected to be settled in normal operating cycle,
ii) It is held primarily for the purpose of trading,
iii) It is due to be settled within twelve months after the reporting period, or
iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

e. Property, plant and equipment:

Freehold land is carried at historical cost less impairment loss, if any. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Capital work in progress includes cost of property, plant and equipment under installation/under development as at the balance sheet date. Property, plant and equipment under installation or under construction as at balance sheet are shown as capital work-in-progress, and the related advances are shown as loans and advances.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. Further, when each major inspection is performed, its cost is recognized in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

The Group identifies and determines cost of each component / part of the asset separately, if the component / part has a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset.

All spare parts, stand-by and servicing equipment qualify as plant, property and equipment (PPE) if they meet the definition of PPE i.e. if the Group intends to use these during more than a period of 12 months. The spare parts capitalized in this manner are depreciated as per useful life period, not exceeding a period of five years based on management estimate supported by technical evaluation.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognized.

f. Depreciation:

Depreciation on the property plant and equipment is calculated on a straight-line basis using the rates arrived at, based on useful lives estimated by the management (except in case of airport assets which are prescribed by AERA as mentioned below), which coincides with the lives prescribed under Schedule II of the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The components identified by the Group are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset.

The Group has started charging the depreciation on capitalized spares parts. These spare parts are depreciated over their useful lives as determined by the management (i.e 5 years).

On June 12, 2014, the Airport Economic Regulatory Authority ("the Authority") had issued a consultation paper viz.05/2014-15 in the matter of Normative Approach to Building Blocks in Economic Regulation of Major Airports wherein it, inter-alia, mentioned that the Authority proposes to lay down, to the extent required, the depreciation rates for airport assets, taking into account the provisions of the useful life of assets given in Schedule II of the Companies Act, 2013, for such assets that have not been clearly mentioned in the Schedule II of the Companies Act, 2013 or may have a useful life justifiably different than that indicated in the Companies Act, 2013 in the specific context to the airport sector.

Pursuant to the above, the Authority has issued order no. 35/2017-18 on January 12, 2018 followed by amendment no. 1 to the order no. 35 /2017-18 on April 9, 2018 in the matter of Determination of Useful Life of Airport Assets, which will be effective from April 1, 2018.

The following useful lives for various categories of property, plant and equipment's are adopted by the Group:

Particulars	Useful life (in years)
Improvements to leasehold land	15-30
Buildings on lease hold land*	10-30
Building interim terminal#	7
Other Buildings	30-60
Runways and taxiways	30
Roads - Other than RCC**	10
Electrical installations**	10-15
Plant and machinery	15
Office Equipment	5
Computer equipment and IT systems	3-6
Furniture and fixtures (Trolleys)	3
Furniture and fixtures (other than Trolleys)	7
Vehicles	8-10

* The useful lives of modifications to buildings on leasehold land are estimated as 10 years.

**The useful lives of internal roads - other than RCC and certain electrical installations (transformers) are estimated as 10 years and 15 years respectively. These lives are longer than those indicated in schedule II.

Leasehold improvements and buildings on leasehold land are amortized over shorter of estimated useful lives or lease period.

During the previous year, the Group has created two Interim terminals namely Interim International Departure Terminal (IIDT) and Interim Domestic Arrival Terminal (IDAT) to accommodate the growing traffic, until the expanded terminal becomes operational. Further, the area where these interim terminals are created, will eventually be used for expansion and boarding gates, therefore these interim terminals will need to be demolished after seven years. Based on the same, the management has considered the life of seven years period for these terminal buildings and related assets i.e. electrical installations and certain plant and machineries viz. Fire systems, HVAC systems. Accordingly, IIDT, IDAT building, electrical installations, Fire systems, HVAC systems are depreciated over a period of seven years.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

g. **Intangible assets:**
Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Goodwill arising on consolidation is not amortized but tested for impairment in accordance with Ind AS 103.

Service concession arrangements:
GACAEL constructs or upgrades infrastructure (construction or upgrade services) used to provide a public service and operates and maintains that infrastructure (operation services) for a specified period of time. These arrangements may include Infrastructure used in a public-to-private service concession arrangement for its entire useful life.

Under Appendix D to Ind AS 115 - Service Concession Arrangements, these arrangements are accounted for based on the nature of the consideration. The intangible asset model is used to the extent that GACAEL receives a right (i.e. a concessionaire) to charge users of the public service. The financial model is used when GACAEL has an unconditional contractual right to receive cash or other financial assets from or at the direction of the grantor for the construction service. When the unconditional right to receive cash covers only part of the service, the two models are combined to account separately for each component. If GACAEL performs more than one service (i.e. construction, upgrade services and operation services) under a single contract or arrangement, consideration received or receivable is allocated by reference to the relative fair values of the service delivered, when the amount are separately identifiable.

The concession arrangement is a service concession arrangement under appendix D to Ind AS 115. Through the Concession Agreement between GHIAL and the Government of Telangana, GHIAL has granted further concession to GACAEL along with sub-leasing of the part of cargo infrastructure facility to GACAEL and since it has a right to charge the users for the services and therefore, the same has been classified under Intangible assets model.

The intangible asset is amortized over the shorter of the estimated period of future economic benefits which the intangible assets are expected to generate or the concession period, from the date they are available for use.

An asset carried under concession arrangements is derecognized on disposal or when no future economic benefits are expected from its future use or disposal.

h. **Amortization of intangible assets**
Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each year. Cost relating to software licenses, which are acquired, are capitalized and amortized on a straight - line basis over their useful life not exceeding six years.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is derecognized.

Amortization of intangible assets under service concession arrangements:
The intangible asset created as per service concession arrangement are amortized over the shorter of the estimated period of future economic benefits which the intangible assets are expected to generate or the concession period, from the date they are available for use.

i. **Impairment of non-financial assets:**
The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating units' (CGUs) fair value less cost to sell and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.
Impairment losses are recognized in the statement of profit and loss. An assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

j. **Inventories**
Inventories are valued at lower of cost and net realisable value. Cost is determined on a weighted average basis and includes all applicable costs incurred in bringing goods to their present location and condition. However, stores and spares items held for use in providing the service are not written down below cost if the services are expected to be provided at or above cost.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

k. **Borrowing cost:**
Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

l. **Provisions, contingent liabilities and commitments:**
Provisions are recognized when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Contingent liability is disclosed in the case of:

- A present obligation arising from past events, when it is not probable that an outflow of resources will not be required to settle the obligation
- A present obligation arising from past events, when it cannot be measured reliably.
- A possible obligation arising from past events, unless the probability of outflow of resources is remote

The Group does not recognize a contingent liability but discloses its existence in the Consolidated Financial Statements.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets. Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

m. **Retirement and other employee benefits:**
Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Retirement benefit in the form of Superannuation Fund and Employee State Insurance are defined contribution schemes, and the Group recognizes contribution payable to these schemes as an expense, when an employee renders the related service. The Group has no obligation, other than the contribution payable to the funds.

The Group operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined based on actuarial valuation using projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in profit or loss on the earlier of:
- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:
- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and





- Net interest expense or income.

Short-term employee benefits
Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

However, the Group presents the entire provision towards accumulated leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

n. Financial Instrument
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A. Financial assets

i. Initial recognition and measurement:
All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

ii. Subsequent measurement:
For purposes of subsequent measurement, financial assets are classified in four categories:
- Debt instruments at amortized cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortized cost:
A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI:
A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL:
FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

iii. **Derecognition:**
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the balance sheet) when:

a. The rights to receive cash flows from the asset have expired, or

b. The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

iv. **Impairment of financial assets:**
In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a. Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance
b. Financial assets that are debt instruments and are measured as at FVTOCI
c. Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 115
d. Loan commitments which are not measured as at FVTPL

e. Financial guarantee contracts which are not measured as at FVTPL

The Group follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables or contract revenue receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, the Group is required to consider:

a. All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument

b. Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Group evaluates individual balances to determine impairment loss allowance on its trade receivables. The evaluation is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortized cost and contractual revenue receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

For assessing credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

v. **Equity Investments:**
All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognized by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments,





the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

B. Financial liabilities

i. Initial recognition and measurement:
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including cash credit, financial guarantee contracts and derivative financial instruments.

ii. Subsequent measurement:
The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss:
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities at fair value through profit or loss:
Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss. The Group has not designated any financial liability as at fair value through profit and loss.

iii. Loans and borrowings:
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

iv. **Financial guarantee contracts:**
Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

v. **Derecognition:**
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

C. **Reclassification of financial assets:**
The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognized gains, losses (including impairment gains or losses) or interest."

D. **Offsetting of financial instruments**
Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

E. **Derivative financial instruments and hedge accounting**
The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non- financial liability.

K.S. RAO & CO. Chartered Accountants BENGALURU

GMR HYDERABAD INTERNATIONAL AIRPORT LTD. HYDERABAD

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognized firm commitment;
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment;
- Hedges of a net investment in a foreign operation. Hedges that meet the strict criteria for hedge accounting are accounted for, as escribed below:

Fair value hedges

The change in the fair value of a hedging instrument is recognised in the statement of profit and loss as finance costs. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit and loss as finance costs.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method. EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss. When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit and loss.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion relating to foreign currency portion is recognised immediately in the statement of profit and loss.

The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in recognised liability and firm commitments. The ineffective portion relating to foreign currency contracts is recognised in finance costs

Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast transaction occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

o. **Cash and cash equivalents:**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

p. Cash dividend to equity holders of the parent

The Group recognises a liability to make cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the Companies Act, 2013, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

q. Foreign currency Transactions

The Group's Consolidated Financial Statements are presented in INR, which is also the Group's functional currency and the currency of the primary economic environment in which the Company operates.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Group uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in the statement of profit and loss in the period in which they arise.

However, foreign currency differences arising from the translation of the following items are recognised in other comprehensive income ("OCI"):

- certain debt instruments classified as measured at FVOCI; and
- qualifying cash flow hedges, to the extent that the hedges are effective.

r. Fair Value Measurement

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

i. In the principal market for the asset or liability, or
ii. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the group.
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

K.S. RAO & CO. Chartered Accountants BENGALURU

GMR HYDERABAD INTERNATIONAL AIRPORT LTD. HYDERABAD

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets, and significant liabilities, such as contingent consideration. Involvement of external valuers is decided upon by the management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The management decides, after discussions with the group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the group's accounting policies. For this analysis, the Valuation Committee verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Management, in conjunction with the Group's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

a) Disclosures for valuation methods, significant estimates and assumptions
b) Quantitative disclosures of fair value measurement hierarchy
c) Financial instruments (including those carried at amortized cost)

s. **Revenue recognition:**
Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the Government. The Group has concluded

that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

The specific recognition criteria described below must also be met before revenue is recognized.

1) Income from service:

i. Revenue from Airport Operations i.e. Aeronautical and Non-Aeronautical Operations are recognized on an accrual basis, net of service tax and applicable discounts, when services are rendered and it is possible that an economic benefit will be received which can be quantified reliably. Revenue from Aeronautical operations includes landing and parking charges of aircraft, operation and maintenance of passenger boarding and other allied services. Revenue from Non-aeronautical operations include granting rights to use land and space primarily for catering to the needs of passengers, air traffic services and air transport services.
Further, Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in non-aeronautical revenue in the statement of profit or loss due to its operating nature.

ii. In case of cargo handling revenue, revenue from outbound cargo is recognized for non-airline and airline customers at the time of departure of aircraft. Revenue from inbound cargo is recognized at the time of arrival of aircraft in case of airline customers and at the point of delivery of cargo in case of non-airline customers.

iii. Income from the concession arrangements earned under the intangible asset model consists of :
(a) fair value of contract revenue, which is deemed to be fair value of consideration transferred to acquire the asset; and
(b) payments actually received from the users.

iv. In case of MRO business, revenue is recognized upon transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Revenue is reduced for estimated customer returns, rebates and other similar allowances, taxes or duties collected on behalf of the Government. An entity shall recognize revenue when the entity satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when the customer obtains control of that asset.
Revenue relating to fixed price contracts is recognized based on percentage of completion method (POC method).

v. Revenue from hotel operations comprises of income by way of hotel room rent, sale of food, beverages and allied services relating to the hotel and is recognized net of taxes and discounts as and when the services are provided and products are sold.

vi. Income from management / technical services is recognized as per the terms of the agreement on the basis of services rendered.

vii. Revenue from commercial property development rights granted to concessionaires is recognized on accrual basis, as per the terms of the agreement entered into with the customers.

viii. Revenue earned in excess of billings has been included under 'other assets' as unbilled revenue and billings in excess of revenue has been disclosed under 'other liabilities' as unearned revenue.

2) Sale of Goods:

Revenue from sale of goods is recognized at the time of delivery of goods to customers which coincides with transfer of risks and rewards to its customers. Sales are stated net of returns and discounts.

3) Revenues and cost of improvements to concession assets:

In conformity with appendix A of Ind AS 11, GACAEL recognizes revenues and the associated costs of improvements to concession assets which it is obligated to perform at the airports as established by the concession agreement. Revenues represent the value of the exchange between GACAEL and the government with respect to the improvements, given that GACAEL constructs or provides improvements to the airports as obligated under the concession agreement and in exchange, the government grants GACAEL the right to obtain benefits for services provided using those assets.

GACAEL has determined that its obligations per the concession agreement should be considered to be a revenue earning activity as all expenditures incurred to fulfill the concession agreement are included in the maximum tariff it charges its customers and therefore it recognizes the revenue and expense in profit and loss when the expenditures are performed.

The cost for such additions and improvements to concession assets is based on actual costs incurred by GACAEL in the execution of the additions or improvements, considering the requirements in the concession agreement. The amount of revenues for these services is equal to the amount of costs incurred, as GACAEL do not obtain any profit margin for these construction services. The amounts paid are set at market value.

4) Interest income:

i. Interest on all debt instruments measured either at amortized cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

ii. Interest for delayed payments from customers is accounted only when it is unconditionally accepted by the customers.

5) Dividend Income

Revenue is recognized when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

6) Significant financing component:

Generally, the Group receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

The Group also receives long-term advances from customers for providing the license to operate at the Airport. The transaction price for such contracts is discounted, using the rate that would be reflected in a separate financing transaction between the Group and its customers at contract inception, to take into consideration the significant financing component.

t. Government Grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. Such grants related to income are deducted in reporting the related expense. When the grant is in the nature of capital subsidy it is treated as capital reserve.

The Holding Company has deferred payment arrangement on the concession fee payable to Ministry of Civil Aviation ('MoCA') without interest. The effect of this assistance is treated as a government grant. The assistance is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the assistance and the fair value. The grant is subsequently measured as per the accounting policy applicable to financial liabilities.

u. Taxes :

1) Current income tax

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current and deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

2) Deferred tax

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences:

i. When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

ii. temporary differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

GHIAL and GACAEL are entitled to claim tax holiday for any 10 consecutive years out of 15 years, from the year of commencement of commercial operations in 2007-08, under Section 80-IA of the Income-tax Act, 1961, with regard to income from airport operations. Accordingly, deferred tax on items reversing within the tax holiday period is not considered.

GHASL and GAEL are entitled to claim tax holiday for any 10 consecutive years out of 15 years, from the year of commencement of commercial operations in 2010-11, under Section 80IAB of the Income Tax Act, 1961, with regard to income from airport operations. Accordingly, deferred tax on items reversing within the tax holiday period is not considered.

K.S. RAO & CO Chartered Accountants BENGALURU

GMR HYDERABAD INTERNATIONAL AIRPORT LTD. HYDERABAD

GATL is entitled to claim tax holiday for any 10 consecutive years out of 15 years, from the year of commencement of commercial operations in 2011-12, under Section 10AA of the Income Tax Act, 1961, with regard to income from airport operations. Accordingly, deferred tax on items reversing within the tax holiday period is not considered.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of profit and loss as current tax. The Group recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as "Deferred Tax Asset." The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

v. Segment Reporting Policies

Identification of Segments:

Based on the "management approach" as defined in Ind AS 108 - Operating Segments, the Chief Operating Decision Maker ('CODM') has carried out evaluation of the Group's performance at an overall Group level as one reportable operating segment i.e. 'Airport and allied services'. Accordingly, the amounts appearing in the financial statements relate to the Group's single business segment.

Segment accounting policies:

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the Consolidated Financial Statements of the Group as a whole.

w. Earnings per share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares, if any.

3 Property, plant and equipment

	Leasehold improvements	Free hold land	Buildings on leasehold land	Buildings on freehold land	Runways	Roads	Plant & machinery	Furniture & fixtures	Office equipment	Computers	Electrical installations	Vehicles	Total
Gross carrying amount													
As at April 1, 2018	131.63	16.13	1,248.58	62.31	343.14	105.58	526.19	50.46	6.27	29.55	173.28	4.52	2,697.64
Additions	8.91	-	241.73	-	155.80	27.81	148.31	16.83	5.47	27.04	37.95	1.62	671.47
Exchange differences	-	-	2.11	-	3.00	-	-	-	-	-	-	-	5.11
Assets transferred on sale of subsidiary	(1.31)	-	-	-	-	-	(1.35)	(0.21)	(0.08)	(0.13)	(0.34)	-	(3.42)
Disposals	(2.36)	-	-	-	-	-	(0.05)	(0.25)	-	(0.01)	(0.10)	(1.01)	(3.78)
As at March 31, 2019	136.87	16.13	1,492.42	62.31	501.94	133.39	673.10	66.83	11.66	56.45	210.79	5.13	3,367.02
Additions	2.24	-	34.45	-	371.04	0.20	34.95	5.17	4.85	26.21	45.48	3.45	528.04
Adjustments*	(1.37)	-	(36.16)	-	(26.18)	(3.03)	(3.04)	(0.45)	(0.12)	(0.65)	(1.48)	-	(72.48)
Disposals	-	-	(3.77)	-	-	-	(5.27)	(2.51)	(0.09)	(0.71)	(0.03)	(0.24)	(12.62)
As at March 31, 2020	137.74	16.13	1,486.94	62.31	846.80	130.56	699.74	69.04	16.30	81.30	254.76	8.34	3,809.96
Depreciation													
Up to April 1, 2018	17.91	-	164.74	3.91	44.90	96.52	189.83	35.79	3.37	13.21	139.28	1.22	710.68
Charge for the year	6.36	-	61.72	1.44	18.44	2.93	58.84	5.67	1.38	8.47	10.41	0.60	176.26
Adjustments **	-	-	16.01	1.29	-	-	2.43	1.38	-	-	-	-	21.11
Assets transferred on sale of subsidiary	(1.27)	-	-	-	-	-	(1.06)	(0.13)	(0.08)	(0.12)	(0.30)	-	(2.96)
Disposals	(0.91)	-	-	-	-	-	0.03	(0.21)	-	(0.01)	(0.06)	(1.01)	(2.17)
Up to March 31, 2019	22.09	-	242.47	6.64	63.34	99.45	250.07	42.50	4.67	21.55	149.33	0.81	902.92
Charge for the year	6.25	-	71.43	1.33	24.30	4.70	64.53	6.22	2.32	14.00	11.24	0.73	207.05
Disposals	-	-	(0.78)	-	-	-	(3.52)	(2.50)	(0.09)	(0.71)	(0.03)	(0.24)	(7.87)
Up to March 31, 2020	28.34	-	313.12	7.97	87.64	104.15	311.08	46.22	6.90	34.84	160.54	1.30	1,102.10
Net book value													
As at March 31, 2020	109.40	16.13	1,173.82	54.34	759.16	26.41	388.66	22.82	9.40	46.46	94.22	7.04	2,707.86
As at March 31, 2019	114.78	16.13	1,249.95	55.67	438.60	33.94	423.03	24.33	6.99	34.90	61.46	4.32	2,464.10

Notes:

*Includes reversal of input credit of GST amounting to Rs.70.83 (March 31, 2019: Rs.Nil) and reversal of project creditors liability amounting to Rs.1.65 (March 31, 2019: Rs.Nil), pertaining to construction works which were earlier capitalized.

** Represents the depreciation charged on account of change in useful life of assets as per Airport Economic Regulatory Authority`s (AERA) order no:35/2017-18 dated January 12, 2018 and amended on April 09, 2018 in the matter of Determination of useful life of Airport Assets and is efective from April 1, 2018.

4.1 Right of use asset

	Land and building	Total
Gross block (at cost)		
As at April 1, 2019	77.37	77.37
Additions	-	-
As at March 31, 2020	77.37	77.37
Accumulated depreciation		
Up to April 1, 2019	-	-
Charge for the year	2.90	2.90
Up to March 31, 2020	2.90	2.90
Net book value		
As at March 31, 2020	74.47	74.47

4.2 Intangible assets

	Goodwill*	Computer software	Technical knowhow	Right to operate - cargo facility	Total
Gross carrying amount					
As at April 1, 2018	40.41	6.39	8.98	21.03	76.81
Additions	-	2.85	-	5.66	8.51
Disposals	-	-	-	(0.35)	(0.35)
Impairment of goodwill on sale of subsidiary	(4.14)	-	-	-	(4.14)
As at March 31, 2019	36.27	9.24	8.98	26.34	80.83
Additions	-	8.38	-	3.72	12.10
Disposals	-	(0.20)	-	(0.05)	(0.25)
As at March 31, 2020	36.27	17.42	8.98	30.01	92.68
Amortization					
Up to April 1, 2018	-	4.36	8.98	6.57	19.91
Charge for the year	-	0.84	-	3.94	4.78
Disposals	-	-	-	(0.28)	(0.28)
Up to March 31, 2019	-	5.20	8.98	10.23	24.41
Charge for the year	-	1.66	-	4.88	6.54
Disposals	-	(0.14)	-	(0.05)	(0.19)
Up to March 31, 2020	-	6.72	8.98	15.06	30.76
Net book value					
As at March 31, 2020	36.27	10.70	-	14.95	61.92
As at March 31, 2019	36.27	4.04	-	16.11	56.42

K.S. RAO & CO. Chartered Accountants BENGALURU

5.1 Investment in joint venture

	Non-current	
	March 31, 2020	March 31, 2019
Investment measured at cost (accounted using equity method)		
Unquoted equity shares (Refer note 59)		
Laqshya Hyderabad Airport Media Private Limited ("Laqshya")		
9,800,000 (March 31, 2019: 9,800,000) equity shares of Rs. 10 each fully paid-up	13.66	9.16
Investment in Laqshya arising on account of fair valuation of loan given below market rate	5.59	5.59
	19.25	14.75
Aggregate value of investment in joint ventures	**19.25**	**14.75**

5.2 Investments

	As at March 31, 2020		As at March 31, 2019	
	No. of units	Amount	No. of units	Amount
Current				
Investment in mutual funds (unquoted) at FVTPL:				
Birla Sunlife Cash Plus Institutional Premium - Growth	2,011,910.01	63.94	40,524.68	1.21
Birla Sun Life Short Term fund - Regular Growth	64,246.16	2.05	-	-
Aditya Birla Sunlife Liquid Fund - Growth Regular Plan	124,251.90	3.95	252,632.73	7.55
Sundaram Money Fund Regular Growth	1,156.15	0.00	1,662,511.76	6.52
Sundaram Money Fund Direct Growth	12,782,692.63	53.53	-	-
Axis Liquid Institutional - Growth Option	40,007.79	8.78	116,381.32	24.03
ICICI Prudential Liquid Regular Plan - Growth	2,059,658.70	60.25	981,662.94	27.03
SBI Premier Liquid Fund - Regular Plan - Growth	52,765.73	16.53	15,116.58	4.41
Axis mutual fund - Liquid Growth Plan	173,207.00	5.07	23,043.02	4.76
Tata Liquid fund Plan A - Growth	-	-	33,644.82	9.86
UTI Liquid Cash Plan Institutional - Growth Option	211,028.90	68.32	88,654.91	27.04
UTI Liquid Fund - Growth	83,076.10	27.02	-	-
Aditya Birla Sunlife Overnight Fund - Growth - Direct Plan	12,068.36	1.30	-	-
		310.74		112.41
Investment in commercial paper (unquoted) at amortised cost *				
SREI Infrastructure Finance Limited	2,500	114.83	4,500	215.25
SREI Equipment Finance Limited	5,600	268.04	-	-
Bharti Realty Limited	4,096	199.97	-	-
Edelweiss Financial Services Limited	500	24.46	-	-
Piramal Enterprises Limited	6,500	323.06	3,000	147.44
* Face value of all commercial paper investments is at Rs. 500,000 (31 March 2019: Rs. 500,000) per unit.				
		930.36		362.69
Aggregate value of investments in financial assets		**1,241.10**		**475.10**

6 Loans

	Non-current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Unsecured, considered good				
Security deposits	15.79	20.16	16.91	4.09
Less: Provision for doubtful deposit	(0.20)	(0.20)	-	-
	15.59	**19.96**	**16.91**	**4.09**
Loan to employees	1.78	1.60	0.22	1.38
Inter corporate deposits	-	-	-	50.00
Loans to related parties (refer details below)	-	-	200.00	0.32
	17.37	**21.56**	**217.13**	**55.79**

Break up of Loans to related parties				
Laqshya Hyderabad Airport Media Private Limited, joint venture	-	-	-	0.32
GMR Infrastructure Limited, Intermediate Holding Company	-	-	200.00	-
	-	-	**200.00**	**0.32**

K.S. RAO & CO. Chartered Accountants BENGALURU

GMR HYDERABAD INTERNATIONAL AIRPORT LTD. HYDERABAD

7 Other financial assets

	Non-current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Carried at amortised cost				
Non-trade receivables	-	-	21.26	8.17
Grant receivable from authorities	-	-	0.04	0.04
Interest accrued on fixed deposits	-	-	11.93	3.18
Interest accrued on investments	-	-	15.80	7.67
Interest accrued on others	-	-	8.59	1.04
Unbilled revenue	-	-	18.85	10.48
Margin money deposits *	-	0.62	-	-
Other receivables (Refer note 56)	-	-	71.16	1.70
Derivative instrument carried at fair value through OCI				
Derivative assets (Refer note 40)	865.00	239.23	-	-
	865.00	**239.85**	**147.63**	**32.28**

* Margin money deposits represent security held by bank including bank guarantees issued by the bankers on behalf of the Company.

8.1 Tax asset

	Non-current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Advance income tax (net of provision for current tax)	51.88	28.96	1.71	17.11
	51.88	**28.96**	**1.71**	**17.11**

8.2 Tax liability

	Current	
	March 31, 2020	March 31, 2019
Provision for tax (net of advance tax)	35.87	36.74
	35.87	**36.74**

9 Other assets

		Non-current		Current	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Capital advances					
Unsecured, considered good		459.45	409.13	-	-
	(A)	**459.45**	**409.13**	**-**	**-**
Advances other than capital advances					
Passenger service fee (Security component)		10.56	25.64	-	-
Others		7.79	7.34	6.38	7.89
Doubtful advances		0.04	0.04		
		18.39	**33.02**	**6.38**	**7.89**
Less: Provision for doubtful advances		(0.04)	(0.04)	-	-
	(B)	**18.35**	**32.98**	**6.38**	**7.89**
Other advances					
Prepaid expenses		2.88	3.30	9.04	5.54
Upfront fee on borrowings (Refer note 56)		-	94.50	-	
Lease equilisation reserve		7.37	-	-	-
Balance with statutory / government authorities		251.25	14.67	39.91	5.55
	(C)	**261.50**	**112.47**	**48.95**	**11.09**
Total (A+B+C)		**739.30**	**554.58**	**55.33**	**18.98**

10 Inventories (valued at lower of cost or not relizable value)

	March 31, 2020	March 31, 2019
Traded goods	31.82	16.13
Stores and spares	50.20	40.22
Less: Provision for non moving spares	(0.17)	(0.17)
	81.85	**56.18**

* includes material in transit of Rs. 0.04 (March 31, 2019: Rs. 0.19)

11 Trade receivables

	Current	
	March 31, 2020	March 31, 2019
Break up of trade receivables:		
Secured, considered good	53.57	58.35
Unsecured receivables, considered good	125.20	122.20
Unsecured receivables, with significant increase in credit risk	1.03	1.38
	179.80	**181.93**
Impairment allowance (allowance for credit loss)		
Less: Allowances for doubtful receivables	(1.03)	(1.38)
	178.77	**180.55**

*Trade receivables to the extent covered by security deposits or bank guarantees are considered as secured receivables.

12 Cash and cash equivalents

	Current	
	March 31, 2020	March 31, 2019
Balances with Banks		
- in current accounts	69.59	40.20
- deposits with original maturity of less than three months	192.15	350.02
- in foreign currency account	8.67	2.99
Cash in transit	-	1.16
Cash on hand	0.57	0.71
	270.98	**395.08**

13 Bank balances other than cash and cash equivalents

	Current	
	March 31, 2020	March 31, 2019
Margin money deposits*	70.95	50.40
Deposits with original maturity of more than 3 months but less than 12 months	609.98	64.65
	680.93	**115.05**

*Margin money deposits represent security held by bank including bank guarantees issued by the bankers on behalf of the Group.

14 Equity

	March 31, 2020	March 31, 2019
Authorized share capital		
400,000,000 (March 31, 2019: 400,000,000) equity shares of Rs. 10 each fully paid up	400.00	400.00
Issued, subscribed and fully paid-up shares		
378,000,000 (March 31, 2019: 378,000,000) equity shares of Rs.10 each fully paid up	378.00	378.00
	378.00	**378.00**

(a) Reconciliation of the equity shares outstanding at the beginning and at the end of the year

	March 31, 2020		March 31, 2019	
	Number	Amount	Number	Amount
At the beginning of the year	378,000,000	378.00	378,000,000	378.00
Issued during the year	-	-	-	-
Outstanding at the end of the year	**378,000,000**	**378.00**	**378,000,000**	**378.00**

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. Further all shareholders will have their representative in the Board of Directors of the Company as per the terms of arrangement.

(c) Shares held by holding /intermediate holding company

	March 31, 2020		March 31, 2019	
	Number	Amount	Number	Amount
GMR Airports Limited ("GAL"), Holding Company	238,139,000	238.14	238,139,000	238.14
GMR Infrastructure Limited, GAL's Holding Company	1,000	0.00	1,000	0.00
	238,140,000	**238.14**	**238,140,000**	**238.14**

(d) Details of shareholders holding more than 5% shares in the Company

	March 31, 2020		March 31, 2019	
	Number	% holding	Number	% holding
Equity shares of Rs. 10 each, fully paid-up				
GMR Airports Limited, Holding Company	238,139,000	63.00%	238,139,000	63.00%
Airports Authority of India	49,140,000	13.00%	49,140,000	13.00%
Government of Telangana	49,140,000	13.00%	49,140,000	13.00%
MAHB (Mauritius) Private Limited	41,573,540	11.00%	41,573,540	11.00%

As per records of the Company including its register of share holders/members and other declarations received from share holders regarding beneficial interest, the above share holding represents both legal and beneficial ownership of shares.

(e) No Shares have been issued by the Company for consideration other than cash, during the period of five years immediately preceding the reporting date.

(f) Shares reserved for issue under options

There are no shares reserved for issue under options and contract/commitments for the sale of shares/disinvestment.

K.S. RAO & CO. Chartered Accountants BENGALURU

GMR HYDERABAD INTERNATIONAL AIRPORT LTD. HYDERABAD

15 Other equity

	March 31, 2020	March 31, 2019
Capital reserve	**107.00**	**107.00**
Retained earnings		
Opening Balance	**668.43**	**148.56**
Adjustment on account of transition to Ind AS 115	-	(2.27)
Depreciation charge to retained earnings	-	(21.11)
Add: Profit for the year	661.16	724.00
Remeasurement of post-employment benefits obligations	(1.71)	(1.04)
Less: Appropriations		
Interim dividend of Rs. 2.50 per share (March 31, 2019: Rs. 4.00 per share)	(94.50)	(151.20)
Dividend distribution tax	(19.09)	(31.15)
Add: Gain on acquisition on non controlling interest	-	2.64
Closing balance	**1,214.29**	**668.43**
Cash flow hedge reserve		
Opening Balance	31.72	14.74
Gain arising during the year on derivative instruments	195.12	34.02
Deferred taxes on above	(61.78)	(17.04)
	165.06	**31.72**
	1,486.35	**807.15**

16.1 Long-term borrowings

	Non Current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Senior Secured Notes / Debentures - Secured				
1,750 units 4.25% Senior Secured Notes of USD 200,000 each	2,609.03	2,376.93	-	-
1,500 units 5.375% Senior Secured Notes of USD 200,000 each	2,244.16	-	-	-
Redeemable Non Convertible Debentures of Rs. 1,000,000 each	274.29	274.13	-	-
Term loans - Secured				
- From banks	162.23	152.95	5.79	2.51
- From financial institutions	81.05	57.47	1.80	4.52
Loans from others				
Government of Telangana (unsecured)	315.05	315.05	-	-
	5,685.81	**3,176.53**	**7.59**	**7.03**
The above amount includes:				
Secured borrowings	5,370.76	2,861.48	7.59	7.03
Unsecured borrowings	315.05	315.05	-	-
	5,685.81	**3,176.53**	**7.59**	**7.03**
Amount disclosed under the head "other current financial liabilities" (Refer note 17)	-	-	**(7.59)**	**(7.03)**
	5,685.81	**3,176.53**	**-**	**-**

I) Senior Secured Notes

i) 4.25% Senior Secured Notes

GHIAL has issued 4.25% senior secured notes on October 27, 2017 to refinance secured Rupee Term Loans and Foreign Currency Loans and fund the airport expansion project works. The coupon rate is fixed through the tenor and payable semi-annually. The Notes are repayable after 10 years i.e. on October 27, 2027 (bullet repayment).

ii) 5.375% Senior Secured Notes

GHIAL has issued 5.375% senior secured notes were issued on April 10, 2019 for funding the airport expansion project works. The coupon rate is fixed through the tenor and payable semi-annually. The Notes are repayable after 5 years i.e. on April 10, 2024 (bullet repayment).

Senior Secured Notes mentioned in notes (i) and (ii) above are secured by mortgage of leasehold right, title, interest and benefit in respect of leasehold land (to an extent of 2,136.45 acres), freehold land of 8.824 acres and first pari-passu charge on all movable and immovable assets, all insurance contracts, contractors' guarantees and liquidated damages payable by the contractors; all the rights, titles, permits, approvals and interests of GHIAL in, to and in respect of the Project Agreements (i.e. Concession Agreement, State Support Agreement, Land Lease Agreement and the CNS-ATS Agreement) as detailed in the Indenture dated October 27, 2017 and April 10,2019 respectively to the maximum extent permitted under the Project Agreements; floating charge on all the operating revenues/receivables of GHIAL; and floating charge on all GHIAL's accounts and each of the other accounts required to be created by GHIAL pursuant to the Security Documents (excluding any Excluded Accounts) and, including in each case, all monies lying credited/deposited into such accounts.

II) Redeemable Non Convertible Debentures

GACAEL had issued 2,750 Senior, Rated, Listed, Secured, Redeemable, Non-Convertible Debentures ("GACAEL NCDs") of face value of Rs. 1,000,000 each in two tranches of 1,000 and 1,750 GACAEL NCD at interest of 8.55% per annum payable semi-annually. Interest rate on GACAEL NCD's shall reset at the end of 4 years from the date of allotment. GACAEL NCDs are redeemable at the end of 7th year from the date of allotment. GACAEL NCDs are secured by:

(a) First ranking pari passu charge on all movable assets of the MRO division of GACAEL, including but not limited to movable plant and machinery, spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future, intangible, goodwill, intellectual property, uncalled capital, present and future.

(b) First ranking pari passu charge on the Transaction Accounts and all book debts, operating cash flows, current assets, receivables, commissions, revenues of whatsoever nature and wherever arising, present and future of MRO division of GACAEL.

(c) First ranking pari passu charge and assignment on all the rights, title, interest, benefits, claims and demands whatsoever of MRO division of GACAEL in the Project Documents and operation and maintenance related agreements, Clearances Approvals pertaining to their operations, both present and future and letter of credit, guarantee, performance bond, corporate guarantee, bank guarantee provided by any party to the Project Documents and the insurance Proceeds received by GACAEL.

(d) Unconditional and irrevocable corporate guarantee given by GHIAL as per Deed of guarantee dated October 04, 2017.

(e) Further, 1,000 GACAEL NCDs are secured by way of equitable mortgage of leasehold rights of the land to the extent of 16.46 acres on which MRO facilities are constructed along with the buildings, structures, etc. on the land.

III) Indian rupee term loan from banks (secured)

(i) GHAL has an outstanding term loan of Rs. 38.43 crore (March 31, 2019: Rs. 40.87 crore) availed from State Bank of India under LRDS (Lease Rental Discounting Scheme) at an interest rate of 1 year MCLR plus 1%. The loan is repayable over 144 structure monthly installments beginning from October 2017 and is secured by assignment of lease rental receivables from Amazon India Seller Services Private Limited accruing to GHAL arising from fulfillment center at GMR Hyderabad Airport City as a primary security and colleteral security as exclusive first charge on all the fixed assets leased out to Amazon India Seller Services Private Limited and equitable mortagage of leasehold rights of land measuring 17 acres.

(ii) During the previous year, GHRL has refinanced its existing term loan from an NBFC amounting to Rs. 120.94 as on November 15, 2018 with a term loan from Axis Bank. The loan is repayable in 46 quarterly installments commencing from January 2019 to April 2030. The refinanced rupee term loan is secured by exclusive charge on immovable assets (including assignment of leasehold rights in the case of leasehold land), current assets, fixed assets, cash flows of the hotel division and pledge of 32,897,675 equity shares of GHRL held by GHIAL. Also the loan is secured by an irrecoverable and unconditional corporate guarantee given by GHIAL. This loan carries an interest rate of 8.6% p.a to 9% p.a (March 31, 2019: 9% p.a).

During the current year, GHRL has availed the moraorium facility as announced by RBI for COVID-19 regulatory package (vide notification (No: RBI 2019-20/186: dated March 27, 2020), for deferment of March month interest payment amounting to Rs. 0.85. Subsequently, GHRL has paid the interest accrued on April 30, 2020.

IV) Indian rupee term loan from Financial Institution (secured)

(a) During the previous year, GHAL has taken a term loan of Rs. 25.00 from Aditya Birla Finance Limited at an interest rate of 9.65% p.a., repayable over 32 structured quarterly installments beginning from September 2021 and the same is repayable over 51 structured quarterly installments beginning from September 2017 and is secured by first ranking charge on Leasehold rights, title, interest and benefit in respect of Sub-lease Land of 1.5 acres together with all buildings, structures etc on the said land, movable assets and intangibles of whatsoever nature in both present and future, revenues, book debts, receivables, bank accounts including TRA, DSRA etc. of GHAL.

(b) GHASL has an outstanding term loan of Rs. 72.85 (March 31, 2019: Rs. 58.37) at an interest rate of 9.40% p.a., i.e., 1 year MCLR plus a spread of 1.2%. The same is repayable over 51 structured quarterly installments beginning from September 2017 and is secured by first ranking charge on Leasehold rights, title, interest and benefit in respect of Sub-lease Land together with all buildings, structures etc on the said land, movable assets and intangibles of whatsoever nature in both present and future, revenues, book debts, receivables, bank accounts including TRA, DSRA etc. of GHASL.

V) Loan from Government of Telangana (unsecured)

Interest free loan received by GHIAL from the Government of Telangana is repayable in five equal installments commencing from 16th anniversary of the commercial operations date (March 23, 2008).

16.2 Short-term borrowings

	March 31, 2020	March 31, 2019
Overdraft facility from banks (secured)	-	28.00
Working capital loans from banks (unsecured)	19.92	9.94
	19.92	**37.94**

i. Overdraft facility from banks

Overdraft facility availed from AbuDhabi bank was repayable on demand and carried an interest rate of fixed deposit plus minimum 1% p.a and is secured by fixed deposit placed by GACAEL with the Bank as per terms of the sanction letter. The facility was closed during the current year.

ii. Working capital loans from banks

Represents commercial credit card facility availed by GHIAL from Banks, carrying an interest rate of 15.05% p.a (31 March 2019: 15.05% p.a.) and are repayable in 25 days from the end of the month.

K.S. RAO & CO Chartered Accountants BENGALURU

GMR HYDERABAD INTERNATIONAL AIRPORT LTD. HYDERABAD

17 Other financial liabilities

	Non-current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
At Amortised cost				
Retention money	4.33	7.04	22.23	7.99
Deposit from concessionaires	53.63	46.50	27.73	36.83
Security deposits	-	-	0.89	0.73
Concession fee payable	171.96	192.55	92.11	84.06
Current maturities of long-term borrowings	-	-	7.59	7.03
Non trade payables	-	-	36.32	1.74
Capital creditors*	-	-	375.10	198.06
Interest accrued but not due on borrowings	-	-	169.63	86.11
	229.92	**246.09**	**731.60**	**422.55**

*includes amount payable to parties registered under the Micro, Small and Medium Enterprises Development Act, 2006 of Rs. 16.07 (March 31, 2019: Rs. Nil)

18 Government grants

	March 31, 2020	March 31, 2019
Opening balance	46.14	51.40
Grant received during the year	-	-
Less: Recognised in the statement of profit and loss	(5.28)	(5.26)
	40.86	**46.14**
Non-current	35.59	40.87
Current	5.27	5.27

Concession fee is payable by GHIAL to Ministry of Civil Aviation in respect of first 10 years in 20 equal half yearly installments commencing from the 11th anniversary of the commercial operations date (March 23, 2008). Concession fee from the 11th year is payable on a half yearly basis. The difference between the fair value and carrying value of such fee payable has been treated as a government grant as per Ind AS 20.

19 Other liabilities

	Non-current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Contract Liabilities	37.75	41.31	10.30	4.26
Deferred income	26.51	22.32	7.37	6.14
Advances from customers	4.17	-	7.61	2.98
Statutory dues	-	-	34.07	29.46
	68.43	**63.63**	**59.35**	**42.84**

20 Trade payables

	March 31, 2020	March 31, 2019
Trade payable		
- Related parties	2.48	9.23
- Total outstanding dues of micro enterprises and small enterprises*	11.58	0.70
- Others	154.69	124.04
	168.75	**133.97**

*Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act") as at March 31, 2020 and March 31, 2019 (along with micro and small enterprises under capital creditors under the head other financial liabilities):

Particulars	March 31, 2020	March 31, 2019
the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	27.65	0.70
the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this MSMED	-	-
the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Group.

21 Provisions

	Non-current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Provision for compensated absences	0.14	-	18.65	15.83
Provision for superannuation fund	-	-	0.20	0.20
Provision for gratuity (Refer note 33)	1.33	1.36	4.14	2.22
	1.47	**1.36**	**22.99**	**18.25**

22 Revenue from operations

	For the year ended March 31, 2020	For the year ended March 31, 2019
Income from services		
Aeronautical (A)		
Landing and parking charges	139.91	136.94
User Development Fee (UDF) and Passenger Service Fee (PSF)	709.51	710.28
Common Infrastructure Charges	61.90	63.40
Fuel Farm (Refer note 47)	139.29	144.27
Ground handling (Refer note 47)	34.43	12.10
Cargo revenues (Refer note 47)	91.21	89.76
Others (Refer note 47)	28.20	22.72
Revenue from Aeronautical services (A)	**1,204.45**	**1,179.47**
Non-aeronautical		
Duty Free	175.26	158.18
Retail	52.26	40.18
Advertisement	38.13	36.11
Food and beverages	50.08	47.03
Parking	81.13	66.93
Land and space - Rentals	47.42	40.98
MRO services and others	269.84	219.23
Revenue from Non-aeronautical services (B)	**714.12**	**608.64**
Revenue from commercial property development	27.72	16.50
Revenue from hospitality services	66.18	71.44
Revenue from non-airport services (C)	**93.90**	**87.94**
Revenue from contracts with customers (D=A+B+C)	**2,012.47**	**1,876.05**

Note:
(i) The company earned entire income from operations from India.
(ii) Timing of rendering of services

For the year ended March 31, 2020:

	Aeronautical	Non-Aeronautical	Non-Airport	Total
Services rendered at a point in time	1,050.61	-	-	**1,050.61**
Services rendered over time	153.84	714.12	93.90	**961.86**
Total revenue from contracts with customers	**1,204.45**	**714.12**	**93.90**	**2,012.47**

For the year ended March 31, 2019:

	Aeronautical	Non-Aeronautical	Non-Airport	Total
Services rendered at a point in time	1,054.89	-	-	**1,054.89**
Services rendered over time	124.58	608.64	87.94	**821.16**
Total revenue from contracts with customers	**1,179.47**	**608.64**	**87.94**	**1,876.05**

(iii) Reconcilation of revenue recognised in the statement of profit and loss with the contracted price

	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue as per contracted price	2,011.37	1,874.95
Adjustments:		
Significant financing component	1.10	1.10
Revenue from contract with customers	**2,012.47**	**1,876.05**

(iv) Set out below is the revenue recognised from:

	For the year ended March 31, 2020	For the year ended March 31, 2019
Amounts included in contract liabilities at the beginning of the year	2.80	2.80
Performanance obligations satisfied in previous years	-	-
Total	**2.80**	**2.80**

23 Other income

	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest on financial assets at amortised cost:		
Bank deposits and commercial papers	26.75	27.69
Loan to joint venture	0.03	0.41
Others	55.92	23.44
Gain on sale of financial assets (mutual funds)	18.57	43.70
Gain on account of foreign exchange fluctuations (net)	2.83	0.45
Amortisation of deferred income	0.85	14.52
Income from government grant	5.28	5.26
Provisions no longer required, written back	3.09	0.72
Profit on sale of assets	0.42	0.12
Other non-operating income	8.81	9.74
	122.55	**126.05**

24 Changes in inventory of traded goods

	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening stock of traded goods	15.74	17.56
Closing stock of traded goods	31.37	15.74
	(15.63)	**1.82**

25 Employee Benefits Expense

	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries, wages and bonus	195.68	164.84
Contribution to provident and other funds [Refer note 33 (a)]	13.49	10.26
Gratuity expenses [Refer note 33 (b)]	1.78	1.86
Staff welfare expenses	14.55	14.95
	225.50	**191.91**

26 Finance costs

	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest on borrowings	145.62	125.71
Premium on derivative instruments	82.55	77.19
Interest on deposit from concessionaire	4.45	21.64
Interest on concession fee, lease liability and others	16.51	10.94
Other borrowing cost	37.50	13.27
	286.63	**248.75**

27 Depreciation and amortization expense

	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation on property, plant and equipment (Refer note 3)	207.05	176.26
Amortisation of ROU assets (Refer note 4.1)	2.90	-
Amortisation of intangible assets (Refer note 4.2)	6.54	4.78
	216.49	**181.04**

K.S. RAO & CO. Chartered Accountants BENGALURU

GMR HYDERABAD INTERNATIONAL AIRPORT LTD. HYDERABAD

28 **Other expenses**

	For the year ended March 31, 2020	For the year ended March 31, 2019
Operator fee	5.04	5.37
Operations, maintenance and manpower outsourcing expenses	76.44	65.19
Electricity, Fuel and water charges	32.78	32.52
House keeping charges	18.09	14.42
Consumption of stores and spares	67.70	52.03
Foods and beverages consumed	6.66	6.76
Cargo handling charges	4.77	3.80
Repairs and maintenance		
Plant and machinery	27.21	25.27
Buildings	9.09	9.32
IT Systems	18.08	13.45
Others	16.56	12.18
Insurance	6.70	5.06
Security expenses	25.71	21.38
Health and safety charges	0.57	0.22
Rent	3.83	8.30
Rates and taxes	21.49	20.18
Training cost	3.18	-
Advertising and business promotion	14.37	10.35
Collection charges	6.65	7.24
Travelling and conveyance	33.92	24.98
Bank Charges	0.05	-
Communication costs	5.80	3.95
Office maintenance	0.53	4.32
Legal and professional expenses	54.30	24.78
Technical fees	5.81	4.69
Management fee	35.78	32.30
Printing and stationery	1.41	1.56
Contribution to political parties	-	50.00
Donation	14.80	1.74
CSR expenditure (refer details below)	10.59	7.76
Directors' sitting fees	0.23	0.28
Payments to Auditors (refer details below)	0.60	0.47
Loss on sale of fixed assets (net)	-	1.61
Impairment of goodwill	-	2.26
Inventories written off	0.26	0.33
Bad debts written off	0.69	0.44
Provision for bad debts	0.58	0.73
Fixed assets written off	1.87	0.06
Interest receivable from PSF (Security Component) Fund written off	15.08	-
Miscellaneous expenses	7.66	7.74
	554.88	**483.04**

Payment to Auditors (Included in other expenses above)	For the year ended March 31, 2020	For the year ended March 31, 2019
As Auditor		
Audit fee	0.42	0.33
Other services*	0.11	0.08
Reimbursement of expenses	0.07	0.06
	0.60	**0.47**

* Excludes Rs. 0.99 (March 31, 2019: Rs. Nil) towards assurance related services for issuance of senior secured notes which are adjusted against borrowings.

Details of CSR expenditure:	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) Gross amount required to be spent by the Company during the year	10.59	7.17
(b) Amount spent in cash		
i) Construction/acquisition of any asset	3.64	4.55
ii) On purposes other than (i) above	6.95	2.62
(c) Total amount spent during the year		
i) Construction/acquisition of any asset	3.64	4.55
ii) On purposes other than (i) above	6.95	2.62

29 Income Tax

A. Income tax expense recognized in statement of profit and loss comprise of:

	For the year ended March 31, 2020	For the year ended March 31, 2019
Current taxes:		
Current income tax net of MAT credit recognized	67.58	36.43
Deferred tax:		
Relating to origination and reversal of temporary differences	(7.43)	15.34
Income tax expense for the year	**60.15**	**51.77**
Less: Adjustments relating to previous year	(1.08)	(4.04)
Income tax expense reported in the statement of profit or loss	**59.07**	**47.73**

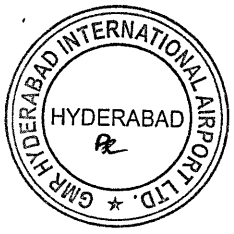
B **Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2020 and March 31, 2019:**

	For the year ended March 31, 2020	For the year ended March 31, 2019
Accounting profit	720.23	778.12
Tax at the applicable tax rate of 34.94% (March 31, 2019: 34.94%)	251.65	271.88
Tax effect of income that are not taxable in determining taxable profit / allowable expenditure that are not part of book profit:		
Dividend income exempt from tax	(0.58)	(0.13)
Ind-AS adjustments not considered under tax	(7.29)	(10.74)
Others	(0.25)	(0.85)
Tax effect of expenses that are not deductible in determining taxable profit/ taxable income that are not part of book profit:		
Donations & CSR expenditure non-dedeuctible under tax	3.70	3.19
Interest on delayed payment of income tax	-	0.53
Other non-deductible expenses under tax	0.50	2.09
Ind-AS adjustments not considered under tax	10.84	11.51
Tax effect of other adjustments:		
Deduction u/s 80IA	(200.52)	(240.98)
Reversal of deferred tax during tax holiday period	8.79	10.19
Unabsorbed accumulated losses on which deferred tax is not created*	(2.10)	5.86
On account of consolidation adjustments, including share of results of joint venture	(2.88)	-
Effect of change in tax rate	(1.72)	(0.78)
Income tax expense reported in the statement of profit and loss	**60.15**	**51.77**

*Deferred tax assets are not recognised to the extent it is not probable that the temporary differences will reverse in the foreseeable future and taxable profits will be available against which the temporary differences can be utilised by the respective subsidiary companies.







C. **Deferred tax:**

	Statement of profit or loss		Balance sheet	
	For the year ended March 31, 2020	For the year ended March 31, 2019	March 31, 2020	March 31, 2019
Deferred tax liability				
Impact of difference between tax depreciation and depreciation / amortisation charged for the financial reporting	18.50	14.37	176.27	157.78
Fair value of financial assets/liabilities	0.25	0.00	0.26	0.01
Cash flow hedge	61.86	16.96	78.82	16.96
Gross deferred tax liability	**80.60**	**31.33**	**255.35**	**174.75**
Deferred tax asset				
Unabsorbed depreciation	3.46	0.83	7.70	11.16
On account of expenditure charged to the statement of profit and loss but allowed for tax purposes on payment basis.	(0.99)	(0.25)	1.55	0.56
On account of income reduced from capital work in progress	(27.31)	(0.13)	31.23	3.92
On account of provision for doubtful trade, advances and dimunition in value of investment	(1.70)	-	1.70	-
Tax Holiday Reversals	(1.17)	0.22	2.05	0.88
Gross deferred tax asset	**(27.71)**	**0.68**	**44.23**	**16.52**
MAT credit entitlement	(51.70)	(136.01)	457.41	405.71
Deferred tax asset (unutilised tax credit)	**(51.70)**	**(136.01)**	**457.41**	**405.71**
Net deferred tax asset/(liability)			**246.29**	**247.48**

Reconciliations of deferred tax liabilities/assets(net)

	March 31, 2020	March 31, 2019
Opening balance	247.48	143.47
Tax income/(expense) during the year recognised in profit or loss	60.67	120.97
Tax income/(expense) during the year recognised in OCI	(61.86)	(16.96)
Closing balance	**246.29**	**247.48**

D. **Other disclosures:**

i) Deferred tax on adjustments recognised on account of adoption of Ind AS are not considered as these adjustments get reversed in the subsequent periods and have no impact on the accounting or tax profit.

ii) During the year ended March 31, 2020 , the parent company has paid dividend to its share holders. This has resulted in payment of DDT to the taxation authorities. The Group believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence DDT paid is charged to equity.

K.S. RAO & CO. Chartered Accountants BENGALURU

GMR HYDERABAD INTERNATIONAL AIRPORT LTD. HYDERABAD

30 Components of Other Comprehensive Income

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

For the year ended March 31, 2020

	Cash Flow Hedge Reserve	Retained Earnings	Total
Cash flow hedge reserve (net)	625.77	-	625.77
Less: restatement of borrowings	(430.65)	-	(430.65)
Less: Deferred tax	(61.78)	-	(61.78)
Remeasurement gain on defined benefit plans	-	(1.71)	(1.71)
Closing Balance	**133.34**	**(1.71)**	**131.63**

For the year ended March 31, 2019

	Cash Flow Hedge Reserve	Retained Earnings	Total
Cash flow hedge reserve (net)	167.55	-	167.55
Less: restatement of borrowings	(133.53)	-	(133.53)
Less: Deferred tax	(17.04)	-	(17.04)
Remeasurement gain on defined benefit plans	-	(1.04)	(1.04)
Closing Balance	**16.98**	**(1.04)**	**15.94**

31. Earnings per share (EPS)

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit attributable to equity holders of parent for basic and diluted earnings	661.16	724.00
Weighted average number of equity shares used for computing earnings per share (Basic and diluted)	37.80	37.80
Earnings per share (Basic and diluted) (Rs.)	17.49	19.15
Face value per share (Rs.)	10.00	10.00

32. Capital work in progress

The breakup of Capital work in progress is as below:

	March 31 2020	March 31 2019
Capital expenditure incurred on property, plant and equipment	1,063.76	314.55
Legal and professional expense	145.78	100.52
Employee benefit expense	0.75	0.35
Finance costs	216.60	31.20
Other expenses	5.94	2.54
Total (i)	**1,432.83**	**449.16**
Less:- Other income:		
Interest income from bank deposit	(95.76)	(1.93)
Net gain on sale of current investments	(1.24)	(10.54)
Temporary lease rentals earned net of taxes	(0.57)	(0.57)
Total (ii)	**(97.57)**	**(13.04)**
Net Capital work in progress (i-ii)	**1,335.26**	**436.12**

During the year ended March 31, 2020 the Group has capitalized the following expenses of revenue nature to the capital work-in-progress (CWIP). Consequently, expenses disclosed under other expenses are net of amounts capitalized by the Group.

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening balance (A)	121.57	97.07
Revenue expense:		
Legal and professional expense	91.18	55.74
Employee benefit expense	0.40	-
Finance cost	231.53	39.34
Other expenses	4.52	1.51
Total (B)	**327.63**	**96.59**
Less: Other income		
Interest income from bank deposit	(95.76)	(3.71)
Net gain on sale of current investment	(1.24)	(10.62)
Total (C)	**(97.00)**	**(14.33)**
Net (D=B-C)	**230.63**	**82.26**
Less: Capitalized during the year (E)	(80.70)	(57.76)
Closing balance (F=A+D-E)	**271.50**	**121.57**

K.S. RAO & CO. Chartered Accountants BENGALURU

GMR HYDERABAD INTERNATIONAL AIRPORT LTD. HYDERABAD

33. Retirement and other employee benefits:

a) Defined contribution plan

Contribution to provident and other funds under employee benefits expense are as under:

	For the year ended March 31, 2020	For the year ended March 31, 2019
Contribution to provident fund	9.84	6.81
Contribution to ESI and labour welfare fund	0.84	1.00
Contribution to superannuation fund	2.81	2.45
Total	**13.49**	**10.26**

b) Defined benefit plans

Gratuity liability is a defined benefit obligation which is funded through policy taken from Life Insurance Corporation of India and Liability (net of fair value of investment in LIC) is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days' salary (based on last drawn basic salary) for each completed year of service subject to a maximum limit of Rs.0.20 (31 March 2019: Rs.0.20).

The following tables summarize the components of net benefit expense recognised in the statement of profit or loss/OCI and amounts recognised in the balance sheet for defined benefit plans/obligations:

Net employee benefit expense (recognized in statement of profit and loss)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Current service cost	1.60	1.79
Net interest cost	0.18	0.07
Cost recognized in statement of profit and loss	**1.78**	**1.86**

Amount recognized in other comprehensive income

	For the year ended March 31, 2020	For the year ended March 31, 2019
Actuarial (gain)/loss due to DBO experience	(0.56)	0.59
Actuarial gain due to DBO assumption changes	0.82	0.46
Return on plan assets greater than discount rate	1.65	0.08
Actuarial gains recognized in OCI	**1.91**	**1.13**

Balance sheet

	March 31, 2020	March 31, 2019
Defined benefit obligation	(17.99)	(15.17)
Fair value of plan assets	12.52	11.59
Plan asset / (liability)	**(5.47)**	**(3.58)**

Changes in the present value of the defined benefit obligation are as follows:

	March 31, 2020	March 31, 2019
Opening defined benefit obligation	15.17	11.53
Interest cost	1.09	0.59
Current service cost	1.58	1.79
Acquisition cost	0.81	1.59
Past service cost-plan amendments	-	-
Benefits paid (including transfer)	(1.46)	(1.40)
Actuarial losses/ (gain) on obligation-experience	0.80	1.05
Closing defined benefit obligation	**17.99**	**15.17**

Changes in the fair value of plan assets are as follows:

	March 31, 2020	March 31, 2019
Opening fair value of plan assets	11.59	8.93
Expected return on plan assets	0.70	0.73
Contributions by employer	1.76	2.31
Acquisition adjustment	0.81	1.06
Benefits paid (including transfer)	(1.42)	(1.40)
Return on plan assets greater/ (lesser) than discount rate	(1.14)	(0.08)
Interest income on plan assets	0.20	-
Actuarial (gains) / losses	0.01	0.04
Closing fair value of plan assets	**12.52**	**11.59**

Major category of plan assets as a percentage of the fair value of total plan assets is as follows:

	March 31, 2020	March 31, 2019
Investments with insurer	100%	100%

Principal assumptions used in determining gratuity obligation for the Group's plans are shown below:

Particulars	March 31, 2020	March 31, 2019
Discount rate (in %)	5.90% to 6.80%	6.90%
Salary Escalation (in %)	6% to 8%	6% to 8%
Attrition rate (in %)	5% to 20%	5% to 20%

A quantitative sensitivity analysis for significant assumption as at 31 March 2020 is as shown below:

	March 31, 2020	March 31, 2019
Discount rate		
Effect due to 1% increase in discount rate	(1.38)	(1.18)
Effect due to 1% decrease in discount rate	0.75	1.25
Attrition rate		
Effect due to 1% increase in attrition rate	0.07	0.09
Effect due to 1% decrease in attrition rate	(0.08)	(0.10)
Salary escalation rate		
Effect due to 1% increase in salary increase rate	1.23	1.11
Effect due to 1% decrease in salary increase rate	0.28	(1.02)

The sensitivity analysis above has been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

K.S. RAO & CO. Chartered Accountants BENGALURU

GMR HYDERABAD INTERNATIONAL AIRPORT LTD. HYDERABAD

Following payments are expected contributions to the defined benefit plan in the future years:

	March 31, 2020
March 31, 2021	2.16
March 31, 2022	1.91
March 31, 2023	2.08
March 31, 2024	1.82
March 31, 2025	3.02
March 31, 2026 to March 31, 2030	15.37

	March 31, 2019
March 31, 2020	1.40
March 31, 2021	1.78
March 31, 2022	1.87
March 31, 2023	2.10
March 31, 2024	1.94
March 31, 2025 to March 31, 2029	14.23

The average duration of the defined benefit plan obligation at the end of the reporting period is 10 years (March 31, 2019: 10 years).

34. Details of transactions with related parties:

A. Names of related parties and description of relationship:

S. No.	Relationship	Related party Name
(i)	Holding company	GMR Airports Limited (GAL)
(ii)	GAL's holding company	GMR Infrastructure Limited (GIL)
(iii)	Ultimate holding company	GMR Enterprises Private Limited (GEPL)
(iv)	Fellow Subsidiary Companies	GMR Aviation Private Limited
		Delhi International Airport Limited
		GMR Energy Trading Limited
		GMR Highways Limited
		GMR Corporate Affairs Private Limited
		GMR Hyderabad Vijayawada Expressways Private Limited
		GMR Airport Developers Limited
		Kakinada SEZ Limited
		Raxa Security Services Limited
		GMR Warora Energy Limited
		GMR Infra Developers Limited
		GMR Goa International Airport Limited
		GMR Business Process Services Private Limited
(v)	Shareholders having significant influence	Government of Telangana
		Airports Authority of India
		Malaysia Airports Holdings Berhad
		MAHB (Mauritius) Private Limited
(vi)	Key management personnel	Mr. Srinivas Bommidala - Managing Director till May 31, 2018 and Director w.e.f June 1, 2018.
		Mr. G B S Raju - Managing Director w.e.f June 1, 2018
		Mr. SGK Kishore - Chief Executive Officer
		Mr. Rajesh Arora- Chief Financial Officer till May 31, 2019
		Mr. Anand Kumar- Chief Financial Officer w.e.f June 1, 2019
		Mr. Grandhi Kiran Kumar - Director
		Mr. Anup Kumar Samal - Company Secretary

S. No.	Relationship	Related party Name
		Mr. G M Rao - Chairman till May 31, 2018 and Executive Chairman from June 1, 2018)
		Mr. HJ Dora - Director
		Mr. C Prasanna - Director
		Mr. Venkataramana Hegde - Director
		Mr. Ramakrishna Rao IAS - Director
		Mr. Datuk Badlisham Bin Ghazali * - Director till June 23, 2018
		Mr. Raj Azmi bin Raja Nazuddin - Director w.e.f September 10, 2018
		Mr. RSSLN Bhaskarudu- Independent Director
		Mr. NC Sarabeswaran- Independent Director
		Mrs. Vissa Siva Kameswari -Independent Director
		Mr.Jayesh Ranjan IAS - Director
		Mr. I.N. Murthy - Director
		Mr. Madhu Ramachandra Rao - Independent Director w.e.f July 02,2018
		Mr. P. Vijay Bhaskar- Independent Director, ceased to be director w.e.f May 04, 2018.
(vii)	Joint Venture	Laqshya Hyderabad Airport Media Private Limited ("Laqshya")
(viii)	Enterprises where key Directors and their relatives exercise significant influence	GMR Varalakshmi Foundation
(ix)	Other entities in which Directors are interested	GMR Family Fund Trust Sri Varalakshmi Jute Twine Mills Private Limited Geokno India Private Limited
(x)	Associate of GIL	GMR Rajahmundry Energy Limited
(xi)	Relative of KMP	Ramadevi Bommidala

B. Remuneration paid to Key Managerial Remuneration:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Short term employee benefits	14.20	12.32
Sitting fee	0.23	0.23

C. Summary of Transactions with related parties during the year is as follows:

Related Party Transactions	For the year ended March 31, 2020	For the year ended March 31,2019
Services received:		
GMR Infrastructure Limited	10.35	7.04
GMR Airports Limited	32.18	26.30
Raxa Security Services Limited	27.23	20.25
GMR Aviation Private Limited	5.84	9.07
GMR Airport Developers Limited	30.94	26.86
GMR Corporate Affairs Private Limited	0.39	-
GMR Family Fund Trust	-	2.80
Delhi International Airport Limited	0.72	0.57
Laqshya Hyderabad Airport Media Private Limited	0.74	1.17
Government of Telangana	-	3.59

Airports Authority of India	0.03	0.03
Sri Vara Lakshmi Jute Twine Mills Private Limited	-	0.22
Security Deposit (paid) /received):		
Laqshya Hyderabad Airport Media Private Limited	-	0.16
GMR Airport Developers Limited	-	(15.00)
Delhi International Airport Limited	-	(0.23)
Income from operations:		
GMR Infrastructure Limited	0.02	0.02
GMR Airports Limited	0.34	0.32
GMR Aviation Private Limited	0.08	0.05
Kakinada SEZ Limited	0.25	0.32
GMR Airport Developers Limited	0.17	0.17
Raxa Security Services Limited	0.01	0.01
GEOKNO India Private Limited	0.10	0.15
GMR Energy Trading Limited	0.00	0.00
GMR Highways Limited	0.25	0.25
GMR Business Process Services Private Limited	3.16	2.75
Delhi International Airport Limited	0.02	0.05
GMR Warora Energy Limited	-	0.00
Laqshya Hyderabad Airport Media Private Limited	34.02	32.19
Airports Authority of India	0.43	3.24
GMR Varalakshmi Foundation	0.40	0.39
GMR Tuni-Anakapalli Expressways Limited	-	0.00
GMR Infra Developers Limited	0.06	-
Unsecured loan received back:		
Laqshya Hyderabad Airport Media Private Limited	0.32	2.55
Interest on amortisation of interest free unsecured loan given		
Laqshya Hyderabad Airport Media Private Limited	-	0.22
Interest on delayed payments from customers		
GMR Energy Trading Limited	0.01	-
Laqshya Hyderabad Airport Media Private Limited	0.15	0.00
GMR Aviation Private Limited	0.00	0.00
Purchase of Asset:		
GMR Airport Developers Limited	52.54	48.44
Geokno India Private Limited	-	0.28
Airport Authority of India	0.02	-
CSR Expenditure		
GMR Varalakshmi Foundation	10.59	7.66
Reimbursement of expenses claimed by the Group during the year from its related parties:		
GMR Infrastructure Limited	0.01	0.01
GMR Airports Limited	0.21	1.58
Kakinada SEZ Limited	0.06	0.06
Delhi International Airport Limited	1.63	0.40
GMR Airport Developers Limited	1.30	0.93

GMR Highways Limited	0.05	0.05
Geokno India Private Limited	0.00	0.06
Laqshya Hyderabad Airport Media Private Limited	1.11	0.95
Airports Authority of India	3.43	2.92
GMR Varalakshmi Foundation	0.07	0.08
Raxa Security Services Limited	0.00	0.00
GMR Energy Trading Limited	-	0.00
GMR Business Process & Services Private limited	0.59	0.48
GMR Goa International Airport Limited	0.02	-
Reimbursement of expenses claimed from the Group during the year by its related parties:		
GMR Airports Limited	0.37	0.49
Delhi International Airport Limited	0.11	-
Laqshya Hyderabad Airport Media Private Limited	0.19	-
GMR Airport Developers Limited	0.31	0.11
Income on amortisation of deposit received:		
Laqshya Hyderabad Airport Media Private Limited	0.05	0.03
GMR Varalakshmi Foundation	0.02	0.01
GMR Infrastructure Limited	0.00	0.00
Interest expense on amortisation of deposit received:		
Laqshya Hyderabad Airport Media Private Limited	0.04	0.04
GMR Varalakshmi Foundation	0.01	0.01
Straight lining of Lease rental as per Ind AS 116		
Laqshya Hyderabad Airport Media Private Limited	0.02	-
GMR Business Process Services Private Limited	0.04	-
GMR Highways Limited	0.00	-
GMR Airport Developers Limited	0.01	-
GMR Varalakshmi Foundation	0.04	-
Raxa Security Services Limited	0.00	-
Unsecured loan given:		
GMR Infrastructure Limited	200.00	-
GMR Infra Developers Limited	20.00	-
Interest on unsecured loan:		
GMR Infrastructure Limited	7.90	-
GMR Infra Developers Limited	0.04	-
Depreciation and Interest cost as per Ind AS 116		
GMR Family Fund Trust	0.35	-
Government of Telangana	8.52	-
Sri VaraLakshmi Jute Twine Mills Private Limited	0.24	-
Amortization of expense on deposit paid:		
GMR Airport Developers Limited	-	0.01
Raxa Security Services Limited	0.14	0.23
Sri VaraLakshmi Jute Twine Mills Private Limited	-	0.01
GMR Varalakshmi Foundation	-	0.05
Interest income on amortization of deposit paid:		

GMR Airport Developers Limited	-	0.02
Raxa Security Services Limited	0.15	0.22
Sri VaraLakshmi Jute Twine Mills Private Limited	0.01	0.01
GMR Family Fund Trust	0.03	-
GMR Varalakshmi Foundation	-	0.04
Rent:		
Ramadevi Bommidala	0.23	0.20
Equity Dividend Paid:		
GMR Airports Limited	59.53	95.26
GMR Infrastructure Limited	0.00	0.00
MAHB (Mauritius) Private Limited	10.39	16.62
Malaysia Airports Holdings Berhad	0.00	0.00
Airports Authority of India	12.29	19.66
Government of Telangana	12.29	19.66

D. Outstanding balances at the end of the year:

Particulars	March 31, 2020		March 31, 2019	
	Non-Current	Current	Non-Current	Current
Balance Recoverable / (Payable):				
GMR Enterprises Private Limited	-	0.01	-	0.01
GMR Infrastructure Limited	-	(2.31)	-	0.28
GMR Airports Limited	-	(7.93)	-	(4.28)
Raxa Security Services Limited	-	(5.31)	-	(0.34)
Delhi International Airport Limited	-	1.56	-	0.08
GMR Rajahmundry Energy Limited	-	0.04	-	0.04
GMR Hyderabad Vijayawada Expressways Private Limited	-	0.01	-	0.01
GMR Aviation Private Limited	-	0.03	-	(0.98)
GMR Airport Developers Limited	-	(12.33)	-	(15.84)
Kakinada SEZ Private Limited	-	0.69	-	0.42
GMR Energy Trading Limited	-	0.00	-	0.02
GMR Corporate Affairs Private Limited	-	-	-	(0.10)
GMR Highways Limited	-	0.26	-	0.30
Geokno India Private Limited	-	0.81	-	0.71
GMR Aerostructure Services Limited	-	0.03	-	0.03
GMR Goa International Airport Limited	-	0.02	-	-
GMR Vemagiri Power Generation Ltd.	-	0.00	-	0.00
GMR Business Process Services Private Limited	-	1.66	-	-
Laqshya	-	0.77	-	0.97
Government of Telangana	-	(3.87)	-	(3.69)
Airports Authority of India	-	5.02	-	2.97
GMR Family Fund Trust	-	-	-	2.32
GMR Varalakshmi Foundation	-	(0.03)	-	(0.99)
Security deposit received from / (paid) to related parties reccognised at amortised cost:				
GMR Infrastructure Limited	-	0.04	-	0.03

Particulars	March 31, 2020		March 31, 2019	
Raxa Security Services Limited	-	(1.70)	(1.55)	-
Laqshya	0.34	0.02	0.15	0.29
GMR Varalakshmi Foundation	0.10	-	0.09	-
Sri Varalakshmi Jute Twine Mills Private Limited	(0.09)	-	-	(0.08)
GMR Family Fund trust	(0.33)		(0.30)	
Ramadevi Bommidala	0.00	-	-	-
GMR Airport Developers Limited	(4.64)	(8,92)	(8.72)	(3,81)
Deferred income on deposits received recognized at amortised cost				
Laqshya	0.12	0.04	0.06	0.03
GMR Varalakshmi Foundation	0.03	0.01	0.05	0.01
Prepaid expenses on deposits paid recognized at amortized cost:				
Raxa Security Services Limited	-	0.05	0.05	0.14
Sri Varalakshmi Jute Twine Mills Private Limited	-	-	0.01	0.01
GMR Family Fund trust	-	-	0.05	0.03
GMR Airport Developers Limited	0.90	0.89	1.65	0.83
Loans given (including accrued interest):				
Laqshya	-	-	-	0.32
GMR Infrastructure Limited	-	207.90	-	-
Borrowings:				
Government of Telangana	(315.05)	-	(315.05)	-

35. Operating segments are reported in such a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ('CODM'). The Group only has a single geographical segment operating in Hyderabad, India. As per the evaluation carried out by CODM the Group has only one reportable business segment i.e. of airport and allied services. Accordingly, the amounts appearing in the financial statements relate to the Group's single business segment. The information relating to different products and services regarding products and services regarding Revenue from contracts with customers along with other income are given in Note 22 and 23.

Major Customers: Revenue from one customer of the Group is approximately Rs. 387.23 out of total revenue of the Company for the year ended March 31, 2020 (March 31, 2019: Rs. Rs. 359.24).

36. **Leases**

Group as lessee:
GHIAL has taken land, office and other spaces on operating lease having a term ranging from 5 years to 60 years. The land lease has an escalation of 5% per annum from the 8th anniversary of the Commercial Operations Date and is co-terminus with the concession period. The office and other space leases have an escalation of 5% per annum and are renewable at the end of the lease period with mutual consent.

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2020:

Particulars	Category of ROU asset		Total
	Land	Building	
Balance as at April 1, 2019	-	-	-
Reclassification on account of adoption of Ind AS 116	67.43	9.94	77.37
Additions	-	-	-
Depreciation	1.38	1.52	2.90
Balance as at March 31, 2020	**66.05**	**8.42**	**74.47**

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the Statement of Profit and Loss.

The following is the break-up of current and non-current lease liabilities as at March 31, 2020:

Particulars	As at March 31, 2020
Current lease liabilities	-
Non-Current lease liabilities	83.05
Total	**83.05**

The following is the movement in lease liabilities during the year ended March 31, 2020

Particulars	As at March 31, 2020
Lease liability recorded on adoption of Ind-AS 116	76.94
Additions	
Finance cost accrued during the year	7.79
Deletions	-
Payment of lease liabilities	(1.68)
Balance at the end	**83.05**

Following amount has been recognized in statement of profit and loss:

Particulars	For the year ended March 31, 2020
Depreciation/amortisation on right to use asset	2.90
Interest on lease liability	7.79
Expenses related to short term lease (included under other expenses)	3.83
Total amount recognized in the statement of profit and loss	**14.52**

The table below summarises the maturity profile of the Company's lease liabilities based on contractual undiscounted payments:

	March 31, 2020
Within one year	9.41
After one year but not more than five years	23.55
More than five years	727.57

Group as lessor:
The Company has sub-leased land to various parties under operating leases having a term of 9 to 30 years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiable.

Future minimum rentals receivable under non-cancellable operating leases are as follows:

	March 31, 2020
Within one year	49.55
After one year but not more than five years	184.72
More than five years	450.88

37. Contingent liabilities and commitment:

I. Litigation and Contingent Liabilities

A. Direct taxes

a) During the previous years, the Revenue have filed Appeals before the Hon'ble High Court of Karnataka against GHIAL on the orders passed by Income Tax Appellate Authority (ITAT), Bengaluru dated October 13, 2017 knocking down the assessment orders passed under section 143(3) read with section

K.S. RAO & CO. Chartered Accountants BENGALURU

GMR HYDERABAD INTERNATIONAL AIRPORT LTD. HYDERABAD

153A thereby deleting certain disallowances amounting to Rs. 34.87 & Rs. 16.65 confirmed by Commissioner of Income tax (Appeals) [CIT (A)], Bengaluru in relation to assessment years (AY's) 2008-09 & 2009-10 respectively, resulting in a reduction in tax losses.

b) During the current year, the ITAT, Bengaluru, in an appeal filed by the GHIAL against the order passed by the CIT (A), Bengaluru dated October 31, 2016 confirming certain disallowances amounting to Rs. 6.85 in relation to AY 2009-10 has passed an order dated July 10, 2019 setting aside the order passed by the CIT (A) and restoring the matters back to the assessing officer for fresh verification.

c) During the previous years, the Revenue have filed Appeals before the Hon'ble High Court of Karnataka against GHIAL on the orders passed by ITAT, Bengaluru dated October 13, 2017 deleting certain disallowances amounting to Rs. 7.34, Rs. 11.25, Rs. 18.27 & Rs. 20.04 confirmed by CIT (A), Bengaluru in relation to AY's 2010-11, 2011-12, 2012-13 and 2013-14 respectively.

d) During the previous years, GHIAL had filed appeals before ITAT, Bengaluru against the orders passed by the CIT (A), Bengaluru dated December 29, 2016 confirming certain disallowances amounting to Rs. 13.00, Rs. 9.14, Rs. 0.86 and Rs. 4.29 in relation to AY's 2010-11, 2011-12, 2012-13 and 2013-14 respectively.

e) During the previous years, GHIAL had filed appeal before ITAT, Bengaluru against the orders passed by the CIT (A), Bengaluru dated July 10, 2018 confirming certain disallowances amounting to Rs. 3.38 in relation to AY 2014-15.

f) During the previous years, the Revenue have filed appeals before the ITAT, Bengaluru against GHIAL on the orders passed by CIT(A), Bengaluru dated July 10, 2018 deleting certain disallowances amounting to Rs. 22.03 & Rs. 22.23 in relation to AY's 2014-15 & 2015-16 respectively.

g) During the previous years, the Revenue have filed appeals before ITAT, Bengaluru against GHIAL on the order passed by CIT(A), Bengaluru dated July 13, 2018 deleting certain disallowances amounting to Rs. 24.46 in relation to AY 2016-17.

h) During the previous years, the Revenue have filed appeals before the Hon'ble High Court of Karnataka against GHIAL on the orders passed by the ITAT, Bengaluru deleting certain disallowances in the computation of income as per Section 115 JB of the Income-tax Act, 1961 amounting to Rs. 16.89 in relation to AY 2013-14 which could result in an additional Minimum Alternate Tax of Rs. 3.38.

i) During the previous years, the Revenue have filed appeals before the ITAT, Bengaluru against GHIAL on the orders passed by the CIT (A), Bengaluru in Company's favour in relation to certain disallowances in the computation of income as per Section 115 JB of the Income-tax Act, 1961 amounting to Rs. 17.93, Rs. 17.10 and Rs. 20.37 in relation to AY 2014-15, AY 2015-16 and AY 2016-17, respectively. In connection to this, tax deducted at source amounting to Rs. 3.76, Rs. Nil and Rs. 6.46 for AY 2014-15, AY 2015-16 and AY 2016-17, respectively was withheld by the Authorities.

Note: Aforementioned amounts do not include additions across AY 2009-10 to AY 2016-17 amounting to Rs. 31.87 pertaining to PSF (SC) accounts

j) GACAEL in respect of Cargo business had received assessment order during previous years for the assessment years 2009-2010, 2010-2011, 2011-2012 and 2012-13 respectively, denying the deduction u/s 80-1A of the Income Tax Act, 1961 and demanding tax of Rs. 1.54 (March 2019: Rs. 1.54) (including interest of Rs 0.22) (March 2019: Rs. 0.22), Rs. 2.73 (March 2019: Rs. 2.73) (including interest of Rs 0.69 (March 2019: Rs. 0.69) and Rs. 3.03 (March 2019: Rs 3.03) (including interest of Rs. 0.74 (March 2019: Rs. 0.74) and Rs. 2.54 (March 2019: Rs. 2.54) (including interest of Rs 0.66 (March 2019: Rs. 0.66) for the respective assessment years. GACAEL had filed an appeal with Commissioner of Income Tax (Appeals), Hyderabad and had paid Rs. 1.54 (March 2019 Rs. 1.54) Rs. 2.73 (March 2019: Rs. 2.73), Rs. 3.03 crore (March 2019: Rs. 3.03) and Rs. 2.54 (March 2019: Rs. 2.54) for the assessment years 2009–2010, 2010-2011, 2011-2012 and 2012-13 respectively under protest. During the assessment year 2017-18, the said appeals were dismissed by the Commissioner of Income Tax (Appeals), Hyderabad against which GACAEL had

filed an appeal with Income Tax Appellate Tribunal, Hyderabad. During the FY 2016-17, GACAEL has received a favorable order from Income Tax Appellate Tribunal, Hyderabad allowing the deduction u/s 80 IA of the Income tax Act, 1961 for the Assessment years 2009-2010, 2010-2011, 2011-2012 and 2012-13. The department appealed against the ITAT order before High Court in respect of the aforesaid years which is pending. However, based on an internal assessment the management is confident that no liability in this regard would be payable and as such no provision has been made in these Consolidated Financial Statements.

k) GACAEL in respect of Cargo business had received an order during previous years for the assessment year 2013-14 and 2014-15 respectively, denying the deduction u/s 80-IA of the Income Tax Act, 1961. Per this order the refund receivable to the Company has reduced by Rs. 4.18 for A.Y. 2013-14 and Rs. 3.11 for A.Y 2014-15. Aggrieved by the reduction in refund and the demand, the Company has filed an appeal with the Commissioner of Income - Tax (Appeals), Hyderabad. During the assessment year 2018-19, GACAEL has received a favorable order from Commissioner of Income-Tax (Appeals), Hyderabad allowing the deduction u/s 80-IA of the Income tax Act, 1961 for the Assessment years 2013-14 and 2014-15. The Department appealed against the CIT order before ITAT in respect of the aforesaid years. During the previous year GACAEL has received a favorable order from Income-Tax Appellate Tribunal, Hyderabad allowing the deduction u/s 80-IA of the Income tax Act, 1961 for the Assessment years 2013-14 and 2014-15. The Department appealed against the ITAT order before High Court in respect of the aforesaid years which is pending.

l) GACAEL in respect of Cargo business has received an order during current period for the assessment years 2015-16 & 2016-17 denying the deduction u/s 80-IA of the Income Tax Act, 1961. Subsequently, GACAEL filed for rectification of order u/s 154 of the Income-tax Act, 1961 and as per the rectified order there is a tax demand amounting to Rs. 4.17 & Rs.0.16 for AY 2015-16 & AY 2016-17 respectively. During Assessment Year 2019-20 the department has issued a refund order advice stating that the refund for AY 2017-18 has been adjusted against the demand for AY 2015-16 to the extent of 3.77. Aggrieved by the demand GACAEL has filed an appeal with the Commissioner of Income-Tax (Appeals), Hyderabad.

m) GACAEL in respect of Cargo business has received an order from Deputy Commissioner of Income tax, Hyderabad for the reopening of the assessment year 2008-09 disallowing an item of expense amounting to Rs. 0.85 (March 2019: Rs. 0.85). GACAEL has filed an appeal with Commissioner of Income - Tax (Appeals), Hyderabad on May 5, 2015 and on December 13, 2019 received an order partially allowing the expense. Based on an internal assessment, Management is of the opinion that the said order is time barred and will not be sustainable under law.

n) GHRL during the previous year has received an order from Income Tax Officer for the AY 2016-17 demanding income tax of Rs. 0.05 on account of disallowance. GHRL has filed an appeal with CIT (Appeals).

B. Matters under dispute are as follows:

i. GHIAL had received an order dated March 14, 2019 from the Central Excise & Service tax Appellate Tribunal (CESTAT), Hyderabad against the order from the Office of Commissioner of Customs, Central Excise and Service Tax dated January 29, 2010 on irregular availment of the Cenvat amounting to Rs. 24.54 excluding penalty of Rs. 31.11. The said Order has allowed the Cenvat credit of Rs. 12.12, disallowed and remanded credit totaling to Rs. 12.42 (includes remanded cenvat credit of Rs. 4.01) and accordingly, penalty amount got reduced to Rs. 12.42. In addition, the order also allowed cenvat credit of Rs. 6.56 which was capitalized earlier. However, the same has not been given effect to in the financial statements pending final outcome since during the year the department has filed an appeal against the above order from the CESTAT. Apart from this, GHIAL has also filed an appeal against the disallowance of Rs. 8.41, with the Hon'ble High Court of Telangana on September 09, 2019.

ii. GHIAL had received final order passed by the CESTAT, Hyderabad on September 16, 2019 allowing the appeal filed against levy of penalty of Rs. 7.43 (March 31, 2019: Rs. 7.43) on delay in payment of service

tax on the UDF. Further, GHIAL had received the refund towards service tax of Rs. 12.17 (including interest of Rs. 4.74) pertaining to the period from April, 2008 to December, 2008. However, GHIAL has not recognized the above refund amount of Rs. 12.17 as an income since the department had filed an appeal with the Hon'ble Supreme Court against the order of CESTAT and the same has been shown as a liability. Subsequent to the year end, GHIAL has received the refund of service tax paid amounting to Rs. 10.02 for the balance subsequent period from January, 2009 to October, 2009.

iii. GHIAL had received an order from the Office of Commissioner of Customs, Central Excise and Service Tax dated November 25, 2013 on non-payment of service tax on recovery of electricity and water charges from its concessionaires and irregular availment of Cenvat amounting to Rs. 1.53 (March 31, 2019: Rs. 1.53), including penalty of Rs 1.67 (March 31, 2019: Rs. 1.67). GHIAL had received stay order from CESTAT subject to pre-deposit of Rs. 0.15 and accordingly, GHIAL had deposited same with the service tax department within the stipulated time.

iv. GHIAL received an Order dated December 27, 2017 from the Office of Assistant Commissioner of Central Tax on non- payment of service tax on import of services amounting to Rs. 0.25 (March 31, 2019: Rs. 0.25). The Order also includes the interest payable thereon and penalty of Rs. 0.26 (March 31, 2019: Rs.0.26). GHIAL had filed an appeal with CESTAT on January 16, 2019 against the order passed by Commissioner (Appeals) confirming the demand of Rs. 0.26. During the year GHIAL has filed an application under the Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019 and paid Rs. 0.05 and received the discharge certificate in Form SVLDRS 4.

v. GHIAL has received an order dated March 23, 2018 from the Office of Commissioner of Central Tax on irregular availment of exemption on sale of space for advertisement undervaluation of security services received from CISF, irregular availment of Cenvat credit on capital goods & inputs and non-payment of service tax on notice pay from the Office of Commissioner of Central Tax amounting to Rs. 2.39 (March 31, 2019: Rs. 2.39). The order also includes a penalty of Rs. 1.80 (March 31, 2019: Rs. 1.80) and interest as applicable. GHIAL has filed an appeal before the CESTAT and deposited an amount of Rs. 0.18 as required to file the appeal. During the year, GHIAL has has filed an application under the Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019 and paid Rs. 1.02 and also received the discharge certificate in Form SVLDRS 4.

vi. GHIAL had received an order (Show Cause Notice dated April 23, 2014) from the Office of Commissioner of Customs, Central Excise and Service tax dated June 11, 2015 on Irregular availment of Cenvat credit amounting to Rs. 0.62 (March 31, 2019: 0.62). The order also includes penalty of Rs. 0.62 (March 31, 2019: Rs. 0.62). The Company has filed the appeal before the Customs, Excise and Service Tax Appellate Tribunal and deposited an amount of Rs. 0.05 with the service tax department as required to file the appeal. During the year, GHIAL has filed an application under the Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019 and paid Rs. 0.04. Subsequent to the year end the Company has received the discharge certificate in Form SVLDRS4.

vii. GHIAL had received a notice from the office of the Joint Commissioner of Labour for payment of Building and other construction workers' Welfare Cess @ 1% of the cost of construction of Airport Metropolitan amounting to Rs. 25.20 (March 31, 2019: Rs. 25.20). The GHIAL had received the stay order from Hon'ble Hight Court of Telangana against the said order in the earlier years.

viii. GHIAL had received notice dated January 19, 2013, from Hyderabad Metropolitan Water Supply & Sewerage Board for disconnection of water connection for non-payment of sewerage cess arrears. GHIAL had received the stay order against the said order in the earlier years. The sewerage cess outstanding including interest as at March 31, 2020 amounts to Rs. 4.96 (March 31, 2019: Rs. 4.62).

ix. GHRL has filed appeal with Appellate Tribunal against the orders of Deputy Commissioner and Appellate Deputy Commissioner against the order confirming the demand of Rs. 0.42 (March 31, 2019: Rs. 0.23) towards, levying Value Added Tax on leasing of Audio Visual equipment by the hotel customers for the period from October 2010 to November 2012 and December 2012 to March 2014 respectively.

K.S. RAO & CO. Chartered Accountants BENGALURU

GMR HYDERABAD INTERNATIONAL AIRPORT LTD. HYDERABAD

During the previous year GHRL had received an order from appellate Joint Commissioner setting aside the disputed tax amount of Rs. 0.11. During the period, GHRL has received SCN for Rs. 0.19 for the period from April 2014 to June 2017 seeking levy of VAT on usage of Audio Video Equipment's by the Hotel customers. GHRL has replied to the department against the aforesaid SCN on May 16, 2019.

x. GHRL during the previous year, has received an order from Deputy Commissioner of Customs, RGI Airport in respect of alleged stock variance. GHRL has filed an appeal with the Commissioner of Customs & Central Tax (Appeals-1) against the order passed by the Deputy Commissioner Customs, RGIA. The Commissioner Customs & Central Tax (Appeals-1) upheld the order passed by the Deputy Commissioner of Customs, RGI Airport and reduced the penalty to Rs. 0.01. GHRL is in the process of filling an appeal with CESTAT. Management is confident that no liability in this regard would be payable and as such no provision has been made in these financial statements.

xi. The Assistant Commissioner of Central tax and Customs, Hyderabad has filed appeals on May 31, 2019 before the Commissioner (appeals) against the service tax refund orders in respect of service tax charged by GHIAL on renting of immovable property for Duty free shop located beyond custom frontier of India for an amount of Rs. 3.77 (March 2019: Nil) issued to GHRL pertaining to the period from October 2016 to June 2017. GHRL has filed cross-objections on October 14, 2019 against the appeals.

xii. GACAEL has filed an appeal with Customs, Excise and Service Tax Appellate Tribunal (CESTAT) against the order of Commissioner of Service Tax for the rejection of service tax refund claim amounting to Rs. 1.03.

xiii. GACAEL accrued customs officers' salaries stationed at Air Cargo Terminal based on debit notes raised by the customs department on GHIAL as the ultimate cost has to be borne by the custodian i.e. GACAEL. GHIAL filed a writ petition under article, 226 of the Constitution of India in the Honorable High Court of Judicature of Andhra Pradesh at Hyderabad against the demand raised in previous years, GHIAL had received an order from the Honorable High court of Andhra Pradesh (Single Judge), stating that the grounds on which the levy was made by customs department were wholly unsustainable and accordingly GACAEL had reversed the accrued customs cost amounting to Rs. 14.02 (March 2019: Rs.14.02) for the period from March 23, 2008 to March 31, 2012 as provision no longer required written back and included the same in other income.

Subsequent to the above order, the Customs Department preferred an appeal against the same and on November 2, 2012, a bench of two judges of the Honorable High Court of Andhra Pradesh passed an order for interim suspension of the said order passed by the Honorable Single Judge and the matter is pending.

xiv. GACAEL has rendered cargo handling services for export cargo during the period March 2008 to June 2010 on which GACAEL had not paid service tax in view of the exemption available under cargo handling services. GACAEL had received a show cause notice from the Office of Commissioner of Customs & Central Excise requiring GACAEL to show cause as to why the services rendered during March 2008 to June 2010 should not be classified under "Airport Services" and "Storage and Warehousing Services" ("Taxable Service").

On May 3, 2013, GACAEL had received an order from Commissioner of Customs, Central Excise and Service tax. As per the said order, the commissioner had concurred with the departments view and classified the services of cargo handling for export cargo as Taxable Service. As a result of which, there was a demand levied of Rs. 1.89 (March 2019 : Rs.1.89) crore as service tax for the period March 2008 to June 2010 under Airport Services and Rs.1.07 (March 2019 : Rs. 1.07) as service tax for the period March 2008 to June 2010 on Storage and Warehousing Services along with applicable interest and penalty.

Subsequently, the Customs, Excise & Service Tax Appellate Tribunal (CESTAT) in its stay order dated October 25, 2013 has mentioned that X-ray Screening, Terminal Storage and Processing, Unitization and Demurrage would be incidental and ancillary in relation to cargo handling service. As a result, there shall be a waiver of pre deposit of the dues and stay against recovery during pendency of the appeal.

xv. GACAEL has received a show cause notice from the Office of Commissioner (Audit) Central tax requiring GACAEL to show cause as to why CENVAT credit of Rs. 0.65 along with applicable interest and penalty should not be reversed/demanded on certain exempted services. GACAEL has filed a reply to the Show Cause notice with the Office of Commissioner (Audit) Central tax on October 10, 2017. Personal hearing completed on March 27, 2018, AC has passed an order dated March 28, 2018 by disallowing Company demand, order received on April 9, 2018. As a result of which, there is a demand levied of Rs. 0.65 as service tax along with penalty of Rs. 0.63. Further, GACAEL has filed an appeal against the order with Commissioner (Appeals), Central tax during the previous year. GACAEL has received an unfavorable order from Commissioner of Customs and Central Tax (Appeals), Hyderabad on November 12, 2018, directing the Additional Commissioner to recalculate the demand. Subsequently, the company has filed an appeal against the unfavorable order with CESTAT, Hyderabad on February 11, 2019.

xvi. GACAEL has received a SCN No.04/2019-20/AC dated July 19, 2019 from Office of the Commissioner of Central Tax requiring the Company to show cause as to why service tax payable of Rs. 0.19 on recovery from the Employee on serving the Short Notice Period which is subject to Service Tax under declared service ' To tolerate an Act' u/s 66E (e.) of the Finance Act, 1994 should not be demanded under the provisions of Section 73 of Finance Act, 1994 along with interest under Section 75 and penalty under Section 78 of Finance Act, 1994.

GACAEL has filed a written response on August 19, 2019. Personal hearing held on January 23, 2020 and waiting for the final order. On similar issue, GHIAL has gone for appeal and got the favorable order. Hence Management is confident that no liability in this regard would be payable and as such no provision has been made in these financial statements.

xvii. During the current year, GACAEL has received an order from Regional PF Commissioner - I, Regional Office II, Hyderabad, regarding the payment of contributions to International Worker under Employees Provident Funds and Miscellaneous Provisions Act, 1952 demanding an amount of Rs. 0.14. GACAEL has filed writ petition before the High Court of Telangana. However, based on an internal assessment the management is confident that no liability in this regard would be payable and as such no provision has been made in these financial statements."

xviii. GACAEL has received a SCN No. 31/2019-20 dated 23 July 2019 along with corrigendum to SCN dated 25 July 2019 from DGGI (Directorate General of GST Intelligence) on following points:

i. Non reversal of CENVAT Credit against sale of goods for Rs. 0.02.

ii. Proposing disallowance of Export of Services on the ground that 'Place of supply' for MRO Services of Aircraft going out of India after being put to use India can't be said to be outside India. Hence it does not qualify 'Export of Service' and hence subject to Service Tax for Rs. 2.08 along with applicable interest and penalty.

GACAEL has filed a writ petition on August 21, 2019 and received interim relief on August 22, 2019 staying the proceedings. Department has filed its reply and requested for stay vacation. The company is in the process of filing rejoinder. Based on an internal assessment, Management is confident that no liability in this regard would be payable and as such no provision has been made in these financial statements.

xix. GHAL has preferred an appeal with CESTAT against the order passed by Commissioner of Customs, Central Excise & Service Tax vide Order No. Hyd Excus-002-COM-006-15-16 dated July 23, 2015 confirming the demand of Rs. 0.29 (March 31, 2019 Rs. 0.29) towards irregular availment of cenvat credit including a penalty of Rs. 1.14 (March 31,2019: Rs. 1.14). Further, based on the internal assessment the management is confident that no provision is required to be made as at March 31, 2020. During the period the Company has filed an application under Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019 towards settlement / closure of the litigation and obtained discharge certificate in Form no. SVLDRS 4.







xx. The GHAL has preferred an appeal with CESTAT against Order-in-Appeal 17/2017-18 dated February 28, 2018 passed by The Commissioner of Central Tax (Appeals) confirming the demand of Rs. 1.47 (March 31, 2019: Rs. 1.47) in the matter of short payment of service tax under RCM on purchase of designs and drawings under Architecture service. The company has filed an appeal with CESTAT against the order. Further, based on the internal assessment the management is confident that no further provision is required to be made as at March 31, 2020.

xxi. GHASL had received Show Cause Notice dated July 17, 2015 from the Office of the Assistant Commissioner of Customs, Central Excise and Service Tax wherein service tax refund of Rs. 0.0078 has been denied..

xxii. Recovery from PSF (SC) Escrow account:

a) The Ministry of Civil Aviation (MoCA) had issued orders dated February 18, 2014 requiring the Airport Operators to reverse the expenditure incurred from PSF (SC) escrow account opened and maintained by the Airport Operator in a fiduciary capacity, towards procurement and maintenance of security systems/equipment and on creation of fixed assets, together with interest, since inception. GHIAL had incurred Rs.142.00 towards capital expenditure (including the cost of land, construction cost and related finance cost as mentioned in note b below), excluding related maintenance expense, other costs and interest thereon till March 31, 2018 which is unascertainable, out of PSF (SC) escrow account as per SOPs, guidelines and clarification issued by the MoCA from time to time on the subject of utilization of PSF (SC) funds.

As the above order, in management's opinion, is contrary to and inconsistent with SOPs, guidelines and clarification issued by the MoCA from time to time in this regard, the Company had challenged the said order before the Hon'ble High court of Andhra Pradesh. The Hon'ble High Court, vide its order dated March 3, 2014 followed by further clarifications dated April 28, 2014 and December 24, 2014, stayed the MoCA order with an undertaking that, in the event the decision of the writ petition goes against the Company, it shall restore the PSF (SC) Fund to this extent.

b) As per the advice from the Ministry of Home Affairs and the SOP's issued by the MoCA on March 06, 2002, GHIAL, through its erstwhile wholly owned subsidiary, Hyderabad Airport Security Services Limited (HASSL) constructed the residential quarters for Central Industrial Security Force (CISF) deployed at the airport. After completion of such construction, the total construction cost including the cost of land and related finance cost amounting to Rs. 113.73 was debited to the Passenger Service Fee (Security Component) Fund [PSF (SC) Fund] with intimation to the MoCA. The Comptroller & Auditor General, during their audits of PSF (SC) Fund, observed that, the Company had not obtained prior approval from the MoCA for incurring such cost from the PSF (SC) Fund as required by the guidelines dated January 8, 2010 and April 16, 2010 issued by the MoCA. However, Management of the Company is of the opinion that these guidelines were issued subsequent to the construction of the said residential quarters and approached the MoCA for approval of such debit notes to the PSF (SC) Fund account. Further, GHIAL had requested the MoCA to advice the Airport Economic Regulatory Authority (AERA) for considering the cost of construction, land and other related costs with regard to the aforesaid residential quarters in determination of Aeronautical Tariff for the Airport. Pending final instructions from the MoCA, residential quarters continue to be accounted under the PSF (SC) Fund and no adjustments have been made to these standalone financial statements.

xxiii. Fuel surcharge adjustment (FSA) of GHIAL for the period from April 2008 to March 2010 amounting to Rs. 2.05 (March 31, 2018: Rs. 2.05).

xxiv. There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated February 28, 2019. As a matter of caution the Group has amended the pay structure and made the consequent payment of provident fund on a prospective basis from the date of the SC order.





Based on the internal assessment and / or legal opinion, the Management is confident that, for the aforesaid mentioned contingent liabilities under paragraph (A) and (B) above, no further provision is required to be made as at March 31, 2020.

II. Guarantees excluding financial guarantee:

In case of GHIAL, Bank guarantees outstanding in respect of customs and others Rs. 48.95 (March 31, 2019: Rs. 48.95).

Note: The above guarantees also include performance guarantees given by the Group on its own behalf.

III. Commitments

a) Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of Advances) amounting to Rs. 2,642.68 (March 31, 2019: Rs. 3,334.25).

b) Other commitments

As per the terms of the Concession Agreement, GHIAL is required to pay concession fees to the Ministry of Civil Aviation (MoCA) @ 4% on all its gross revenue (as defined in Concession Agreement) for a term of 60 years commencing from March 23, 2008.

38. Significant accounting judgments, estimates and assumptions:

The preparation of the Group's Consolidated Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a. Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, which has the effect on the amounts recognised in the Consolidated Financial Statements:

Non applicability of Service Concession Agreement (SCA) to GHIAL

GHIAL had entered into Concession agreement with the MoCA, which gives GHIAL an exclusive right of development, design, financing, construction, commissioning, maintenance, operation and management of the Hyderabad Airport on a revenue sharing model for an initial term of 30 years, which can be extended by another 30 years at the option of GHIAL and GHIAL has exercised the same. Under the agreement, the MoCA has granted exclusive right and authority to perform some of the functions of the AAI being the functions of operation, maintenance, development, design, construction, upgradation, modernization, finance and management of the Airport and to perform services and activities at the airport constituting 'Airport activities' (regulated services) and 'Non-Airport Activities' (non-regulated services). Airport Activities are regulated while there is no control over determination of prices for Non-Airport activities. Charges for Non-Airport activities are determined at the sole discretion of GHIAL.

Appendix D to Ind AS 115 contains provisions to cover arrangements between public and private enterprises- referred to as service concession arrangement ("SCA"). An entity is required to evaluate applicability of SCA for its arrangement under public to private partnership based on SCA guidance. The applicability of service concession depends whether the grantors control or regulates what services the operator must provide with the infrastructure, to whom it must provide them, and at what price; and also control the residual interest in the infrastructure.

GHIAL's management conducted detailed analysis to determine applicability of Appendix D of Ind AS 115. The concession arrangement has significant non-regulated revenues, which are apparently not ancillary in nature, as these are important from GHIAL, MoCA and users/passengers perspective. Further, the regulated and non-regulated services are substantially interdependent and cannot be offered

K.S. RAO & CO Chartered Accountants BENGALURU

GMR HYDERABAD INTERNATIONAL AIRPORT LTD. HYDERABAD

in isolation. Airport premises is being used both for providing regulated services and for providing non-regulated services. Based on GHIAL's proportion of regulated and non-regulated activities, the directors have determined that over the concession period, the unregulated business activities drives the economics of the arrangement and contributes substantially to the profits of GHIAL and hence concluded that SCA does not apply in its entirety to GHIAL.

Applicability of Service Concession Agreement (SCA) to GACAEL
GACAEL's management has assessed applicability of Appendix D of Ind AS 115 - "Service Concession Arrangements" to operations and maintenance agreements entered into by GACAEL for provisioning of cargo services at RGIA. In assessing the applicability, management has exercised significant judgement in relation to the underlying ownership of the assets, in terms of the arrangement entered with the grantor, ability to determine prices, fair value of construction service, assessment of right guaranteed cash etc. Based on detailed evaluation, management has determined that this arrangement meets the criteria for recognition as service concession arrangement.

Concession Fee:
As per the Concession Agreement (CA) entered into by GHIAL with the Ministry of Civil Aviation (MoCA) in December, 2004, the Company is required to pay concession fee to MoCA @ 4% on its gross revenue. As per Article 3.3.2 of CA, "Gross Revenue" is defined to include all pre-tax revenue of GHIAL with certain specified exclusions.

Management is of the view that certain income / credits arising on adoption of Ind AS and also mark to market gain on valuation of derivative contracts and gain on reinstatement of 4.25% & 5.375% Senior Secured Notes (SSNs) was not in contemplation of parties in December 2004 when this Concession Agreement was signed / entered. Further, these income/credits in Statement of Profit and Loss do not represent receipts from business operations, from any external sources and therefore, are not treated as "Gross Revenue" for calculation of Concession fee payable to MoCA. Also, incomes generated on investment of part proceeds of SSNs earmarked for airport expansion project and adjusted from the value of capital work-in-progress amounting to Rs. 95.75 (March 31, 2019: Rs. 14.33) do not represent receipts from business operations and the same is also not considered for computation of concession fee to MoCA. Accordingly, GHIAL, based on Legal Opinion, has provided the concession fee to MoCA based on Gross Revenue as per their Standalone Financial Statements after adjusting such incomes/credits (Refer note 49).

b. **Estimates and assumptions**
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the group. Such changes are reflected in the assumptions when they occur.

Discounting rate
The Group has considered incremental borrowing rate of Airport sector i.e. 11.44% as at transition date for measuring deposits, being financial assets and financial liabilities, at amortised cost. However, for the transactions undertaken from April 1, 2019 incremental borrowing rate of Airport sector i.e. 10.73% has been considered.

Defined benefit plans (gratuity benefits)
The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries. See Note 33 for further disclosures.

Contingent liabilities
Contingent liabilities may arise from the ordinary course of business in relation to claims against the Group, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgment and the use of estimates regarding the outcome of future events. See clause I of Note 37 for further disclosures.

Fair value measurement of financial instruments
When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Tax
Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management estimate is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Impairment of Cash Generating Unit (CGU):
The Group reviews its carrying value of CGU, annually, or more frequently when there is an indication for impairment. For the purpose of impairment testing, estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and risks specific to the assets for assessing the value in use. The recoverable amount of an asset is greater of its value-in-use and its fair value less costs to sell (also refer note 53).

Impairment of financial asset
The impairment provisions for financial assets are based on the assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting year.

39. Fair values:

The carrying amount of all financial assets and liabilities appearing in the financial statements is reasonable approximation of fair values.

	Carrying value as at March 31,		Fair value as at March 31,	
	2020	2019	2020	2019
Financial assets				
At Fair Value through profit or loss				
Investments in mutual funds	310.74	112.41	310.74	112.41
At Fair Value through Other Comprehensive Income				
Cross currency swap*	702.08	239.23	702.08	239.23
Coupon only swap*	31.92	-	31.92	-
Call spread option*	131.00	-	131.00	-
At amortized cost				
Investments in commercial paper	930.36	362.69	930.36	362.69
Loans	234.50	77.35	234.50	77.35
Bank balances other than cash and cash equivalents	680.93	115.05	680.93	115.05
Other financial assets	147.63	32.90	147.63	32.90
Trade receivables	178.77	180.55	178.77	180.55
Cash and cash equivalents	270.98	395.08	270.98	395.08
Total	**3,618.91**	**1,515.26**	**3,618.91**	**1,515.26**

*includes interest accrued of Rs. 36.27 (March 31, 2019: Rs. 39.81), Rs. 2.83 (March 31, 2019: Rs. Nil) and Rs. 18.13 (March 31, 2019: Rs. Nil) for cross currency swap, coupon only swap and call spread option, respectively.

	Carrying value as at March 31,		Fair value as at March 31,	
	2020	2019	2020	2019
Financial liabilities				
At amortized cost				
Borrowings	5,705.73	3,214.47	4,636.61	3,046.18
Other financial liabilities	961.36	668.64	961.06	668.84
Lease liabilities	83.05	-	83.05	-
Trade payables	168.75	133.97	168.75	133.97
Total	**6,918.89**	**4,017.08**	**5,849.47**	**3,848.99**

The management assessed the cash and cash equivalent, trade receivables trade payables, other bank balances and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. Hence, the fair value is considered to be the same as its carrying value.

Assumptions used in estimating the fair values:

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

i. Cross currency swap, coupon only swap and call option spread ("Derivatives"): The fair value of Derivatives is calculated as the present value of the estimated future cash flows based on observables yield curve.
ii. The fair values of quoted mutual funds are based on price quotations at the reporting date.
iii. The fair value of borrowings is based on the traded price of the bond and the prevailing exchange rate.

K.S. RAO & CO. Chartered Accountants BENGALURU

GMR HYDERABAD INTERNATIONAL AIRPORT LTD. HYDERABAD

40. Fair Value Hierarchy:

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at:

Particulars	Date of Valuation	Total	Fair value measurement using		
			Quoted prices in active markets	Significant observable inputs	Significant un observable inputs
			Level-1	Level-2	Level-3
Assets measured at fair value					
At FVTPL					
Investment in mutual fund	March 31, 2020	310.74	310.74	-	-
	March 31, 2019	112.41	112.41	-	-
At FVTOCI					
Derivatives	March 31, 2020	865.00	-	865.00	-
	March 31, 2019	239.23	-	239.23	-

There have been no transfers between Level 1, Level 2 and Level 3 during the year.

***Valuation Techniques used to determine the Fair Value:**

Specific valuation techniques used to value financial instruments include:

i. The use of quoted market price of Mutual funds.

ii. The Group enters into derivative financial instruments with various counterparties, principally financial institutions and banks. Derivatives are valued using valuation techniques which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The model incorporates various inputs including the foreign exchange spot and forward rates, yield curve of the respective currencies, interest rate curves and forward rate curves of the underlying instrument.

41. Financial risk management objectives and policies:

The Group's activities expose it to variety of finance risk, market risk, credit risk and liquidity risk. The Group's focus is to foresee such risks and seek to minimize potential adverse impact on its financial performance.

Financial risk

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group's principal financial assets include loans, trade and other receivables and cash and cash equivalents are derived from its operations.

The Group`s management oversees the mitigation of the risks. The Group's management is supported by its strategic planning, treasury and Finance department that advises on market risk, financial risk and the appropriate financial risk governance framework for the Group. The Finance department provides assurance to the Group's senior management that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The same is further reviewed and reassured to the management by the internal assurance team. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The management / board reviews and agrees policies for managing these risks.

K.S. RAO & CO. Chartered Accountants BENGALURU

GMR HYDERABAD INTERNATIONAL AIRPORT LTD. HYDERABAD

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and Demand risk. Financial instruments affected by market risk include loans and borrowings, Investments carried at FVTPL and deposits.

However, in case of GHIAL it may be noted that as part of one of principle source of revenue i.e. aeronautical charges which are regulated, the risks are mitigated to a larger extent in case of any movement as the same are allowed as true up through determination of aeronautical tariff for the next control period.

The sensitivity analysis in the following sections relate to the position as at March 31, 2020 and March 31, 2019. The sensitivity analysis have been prepared on the basis that the amount of debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant. The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions. The following assumptions have been made in calculating the sensitivity analysis:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held as at March 31, 2020 and March 31, 2019 including the effect of hedge accounting.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relate primarily to the Group's long-term debt obligations with floating interest rates.

In GHIAL, long-term debt obligations are in the forms of Senior secured notes with interest rate of 4.25% p.a. and 5.375% p.a. on total amount of USD 350 million and USD 300 million, respectively. The 4.25% Senior Secured Note has been swapped for 8.65% p.a. (weighted average of all Cross Currency Swap (CCS) contracts) on INR notional of Rs. 2,229.95 (March 31, 2019 Rs. 2,229.95) (total of all CCS contracts) and the interest obligation on 5.375% Senior Secured Note has been swapped for 6.0542% p.a. (weighted average of all Coupon Only Swap (COS) contracts) on INR notional of Rs. 2,094.48 (March 31, 2019: Rs. Nil) (total of all COS contracts).

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Group's policy is to convert variable rate loan to fixed rate loan if the perceived uncertainty of such variable market rates is for a long term. As at March 31, 2020, approximately 97% (March 31, 2019: 97%) of the Group's borrowings are at fixed rate of interest after taking into account the effect of interest rate swaps.

The exposure of the Group's borrowing to interest rate changes at the end of the reporting period for actual outstanding balances as at year end:

Particulars	March 31, 2020	March 31, 2019
Floating Interest rate		
INR	112.02	100.19
Fixed Interest Rate		
Bonds/Debentures	5,193.23	2,695.43
INR	475.60	472.37

*The borrowings exposures are disclosed on the basis of actual transaction value.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Movement in basis	Impact on profit before tax
March 31, 2020		
INR	50	0.56
March 31, 2019		
INR	50	0.50

Foreign currency risk:

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's borrowings and operating activities. To manage the risk, the Group has entered into cross currency swaps, call spread option and coupon only swap and designed same as cash flow hedge.

Cash flow hedges

i. Cross Currency Swaps (CCS) measured at fair value and designated as hedging instruments in cash flow hedges of the stream of USD cash out flows on interest coupon and principal repayment in relation to issue of 4.25% Senior Secure Notes (SSN) amounting to USD 350 million (i.e. INR 2,229.85) currently carried at INR 2,648.27 (March 31, 2019: 2,420.42). CCS involve interest rate payments on the two legs in different currencies and exchange of principal at maturity. It can be seen as exchange of payments of two currencies. GHIAL pays fixed interest on the INR notional as determined in the swap contract and receives fixed coupon on USD notional. GHIAL pays INR notional of the swap and receives the USD Notional of the CCS. Critical terms of the swap contract (tenor and USD/INR notional) match with the Hedged Item i.e. the stream of USD cash out flows, to effectively cover the GHIAL from risk of movement in the foreign currency.

The SSN have a fixed coupon rate of 4.25% p.a. on total amount of USD 350 million which has been swapped for 8.27%.p.a (weighted average of all cross currency swap and coupon rate) on INR notional of Rs. 2,229.85 (total of all cross currency swap and coupon rate).

ii. During the current year, GHIAL has issued 5.375% senior secured notes (2024 SSN) through overseas market equivalent to USD 300 million (i.e. Rs. 2,067.15), currently carried at Rs. 2,269.95. The 2024 SSN were listed on Singapore Stock Exchange on April 10, 2019. The 2024 SSN are repayable after 5 years on April 10, 2024. The proceeds from 2024 SSN is proposed to be utilized for capital expenditure with respect to Airport Activities (as defined in the Concession Agreement) as part of expansion.

GHIAL has entered into Call Spread (CS) arrangement in order to hedge principal portion and Coupon Only Swap (COS) in order to protect interest component of 2024 SSN. CS and COS is measured at fair value and are designated as hedging instruments in cash flow hedges of the stream of USD cash out flows on interest coupon and principal repayment in relation to issue of 2024 SSN amounting to USD 300 million. COS involve interest rate payments on the two legs in different currencies and exchange of principal at maturity. GHIAL pays fixed interest on the INR notional as determined in the COS contract and receives fixed coupon on USD notional. Critical terms of the COS and CS contracts (tenor and USD/INR notional) match with the Hedged Item i.e. the stream of USD cash out flows, to effectively cover GHIAL from risk of movement in the foreign currency.

The SSN have a fixed coupon rate of 5.375% p.a. on total amount of USD 300 million which has been swapped for 10.27% p.a. (weighted average of all Call Spread and COS contracts) on INR notional of Rs. 2,094.48 (total of all Call Spread and COS contracts).

The Group's exposure to foreign currency risk at the end of the reporting period expressed in foreign currency is as follows:

	March 31, 2020		March 31, 2019	
Foreign Currency	**Amount in foreign currency in absolute terms**	**Amount in Rs. crores**	**Amount in foreign currency in absolute terms**	**Amount in Rs. crores**
Payable				
EURO	446,445	3.70	206,204	1.60
GBP	55,724	0.44	79,843	0.72
USD	2,943,844	22.22	1,496,973	10.32
CHF	22,130	0.14	11,160	0.08
CAD	10,475	0.10	-	-
SGD	19,146	0.10	-	-
Receivable				
USD	7,233,615	54.56	6,129,205	42.40
CHF	27,799	0.22	10,695	0.07
EURO	7,840	0.06	1,745	0.01
Bank balances (including credit card collection)				
USD	1,149,082	8.67	432,032	2.99
Other advances				
USD	834,854	6.29	727,944	5.03
CHF	-	-	6,864	0.05
GBP	-	-	299	0.00
Payable for purchase of fixed assets				
USD	51,030	0.42	90,374	0.63
Cash in transit				
USD	-	-	26,295	0.18
Foreign currency on hand				
AED	19,526	0.04	10,246	0.02
AUD	3,206	0.01	451	0.00
CAD	280	0.00	350	0.00
CHF	107	0.00	7	0.00
EURO	1,943	0.02	588	0.00
GBP	685	0.01	565	0.01
HKD	28	0.00	1,848	0.00
JPY	42	0.00	42	0.00
KWD	84	0.02	776	0.02
MYR	165	0.00	630	0.00
NZD	608	0.00	28	0.00
OMR	135	0.00	188	0.00
QAR	2,700	0.01	5,455	0.01
SAR	17,493	0.04	11,431	0.02
OMR	135	0.00	-	-
SGD	135	0.00	1,010	0.01
THB	33,387	0.01	86,977	0.02
BAH	67	0.00	-	-

K.S. RAO & CO. Chartered Accountants BENGALURU

GMR HYDERABAD INTERNATIONAL AIRPORT LTD. HYDERABAD

LKR	4,650	0.00	-	-
USD	40,858	0.31	41,493	0.29
CNY	-	-	1,575	0.00

Foreign currency sensitivity
The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Group's profit before tax is as under.

Foreign Currency	Nature of transaction	Change in Rate	March 31, 2020 Rs.	March 31, 2019 Rs.
USD	Change in fair valuation of financial liabilities and assets	5%	2.36	1.60

The Group's exposure to foreign currency changes for all other currencies is not material.

Credit risk
Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade receivables
Customer credit risk is managed by Group subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any services to major customers are generally covered by bank guarantee or other forms of credit assurance.

An impairment analysis is performed at each reporting date. The Group does not hold collateral as security. GHIAL evaluates the concentration of risk with respect to trade receivables as moderate, as its customers are broad-based, however, they operate largely in dependent market.

Financial instruments (security deposits) and cash deposits
Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within prudent limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Group's maximum exposure to credit risk for the components of the balance sheet at March 31, 2020 and March 31, 2019 is the carrying amounts of trade receivables and bank guarantees provided to subsidiary companies.

Liquidity risk
The Group monitors its risk of a shortage of funds using a rolling cash flow forecasts.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of working capital facilities and bank loans. The Group's policy is to ensure that the repayments of borrowings are in sync with the cash flows generated from the operations. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders, if required.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

	Up to 1 year	1 to 5 years	> 5 years	Total
Year ended March 31, 2020				
Borrowings	61.62	3,170.85	2,781.12	6,013.59
Lease liabilities	9.41	23.55	727.57	760.53
Trade payables	168.74	-	-	168.74
Other financial liabilities	757.67	182.27	94.53	1034.47
Total	**997.44**	**3,376.67**	**3,603.22**	**7,977.33**
Year ended March 31, 2019				
Borrowings	91.31	238.29	3,185.59	3,515.19
Trade payables	133.96	-	-	133.96
Other financial liabilities	466.80	165.79	131.38	763.97
Total	**692.07**	**404.08**	**3,316.97**	**4413.12**

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

42. Capital management

For the purpose of the Group's capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximize the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Group monitors capital using a gearing ratio, which is debt (excluding lease liabilities) divided by total capital plus debt. The Group's policy is to keep the gearing ratio at an optimal level to ensure that the debt related covenants are complied with.

Gearing Ratio:

	March 31, 2020	March 31, 2019
Borrowings	5,713.32	3,221.50
Borrowings (A)	**5,713.32**	**3221.50**
Equity	378.00	378.00
Other equity	1,486.35	807.15
Total capital (B)	**1,864.35**	**1,185.15**
Capital and borrowings (C=A+B)	**7,577.67**	**4,406.65**
Gearing ratio (A/C)	**75.40%**	**73.11%**

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any loans and borrowing in the current period.

K.S. RAO & CO. Chartered Accountants BENGALURU

GMR HYDERABAD INTERNATIONAL AIRPORT LTD. HYDERABAD

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2020 and March 31, 2019.

43. The Holding Company has recognized, Minimum Alternate Tax (MAT) credit entitlement (i.e. deferred tax asset) of Rs. 457.11 (March 31, 2019: Rs. 405.41) as at March 31, 2020. The Holding Company based on the future taxable income expects to adjust this amount after expiry of the tax holiday period. The ultimate realisation of MAT assets is dependent upon the generation of future taxable income projected by considering the anticipated tariff orders for the control period commencing from April 1, 2021, estimated revenues and expenses of the business, scheduled reversals of deferred tax liabilities and tax planning strategy. As the recoverability of deferred tax assets is based on estimates of future taxable income, any changes in such future taxable income could impact its recoverability. However, management, based on sensitivities performed, believes that any reasonable possible change in the key assumptions would not effect the Company's ability to recover the MAT Credit asset within the specified period as per the provisions of Income Tax Act, 1961.

44. GHASL continues to recognize, Minimum alternate tax (MAT) credit entitlement of Rs. 0.30 (March 31, 2019 Rs. 0.30), Management is confident that GHASL's normal tax liability will be more than the MAT payable as per the Income Tax, Act, 1961.

45. Minimum Alternative Tax (MAT) Credit Entitlement claimed by GACAEL in the income tax returns aggregating Rs. 37.01 has not been recognised in the books in view of the ongoing disputes/litigations with the tax authorities.

46. GHIAL had filed an appeal, challenging the disallowance of pre-control period losses, foreign exchange loss on external commercial borrowings and other issues for determination of aeronautical tariff for the First Control Period commencing from April 1, 2011 to March 31, 2016 by Airport Economic Regulatory Authority ('AERA'). During the current year, Telecom Disputes Settlement Appellate Tribunal (TDSAT) in its disposal order dated March 06, 2020 has directed AERA to reconsider the issues afresh while determining the aeronautical tariff for the Third Control Period commencing from April 01, 2021.

In relation to determination of tariff for the Second Control Period, commencing from April 1, 2016 to March 31, 2021, AERA had issued a consultation paper on December 19, 2017. However, as the aforesaid consultation paper does not address the issues arising out of the first control period, including true up for shortfall of receipt vis-a-vis entitlement for the First Control Period, GHIAL had filed a writ petition with the Hon'ble High Court at Hyderabad on February 6, 2018 and obtained a stay order from the High Court vide order dated February 7, 2018 in respect of further proceedings in determination of tariff order for the second control period. Pending determination of Aeronautical Tariff, AERA vide its order no. 48 dated March 25, 2019 has allowed GHIAL to continue to charge the aeronautical tariff as prevailed on March 31, 2016 till September 30, 2019 or till determination of tariff for the aforesaid period whichever is later. In view of the above, the Company has applied aeronautical tariff as prevailed on March 31, 2016 during the year ended March 31, 2020.

During the year, GHIAL has withdrawn the aforesaid writ petition vide Order dated February 25, 2020 from the Hon'ble High Court. Accordingly, AERA has determined the Aeronautical tariff in respect of second control period vide its Order no: 34/2019-20/HIAL dated March 27, 2020 and the same is valid for the balance unexpired control period of one year effective from April 01, 2020 onwards.

47. During the year, in order to align the classification of major revenue streams as per the Aeronautical Tariff Order dated March 27, 2020, the Group has reclassified the following revenue streams as aeronautical revenue which hitherto were classified as non-aeronautical revenue:

Revenue stream	For the year ended March 31, 2020	For the year ended March 31, 2019
Fuel farm	139.29	144.27
Ground Handling	34.43	12.10
Cargo	91.21	89.76
Rentals (including CAM) from Cargo and Ground Handling	26.48	21.56
Ground Power Unit	1.72	1.16

48. The Consolidated Financial Statements of GHIAL do not include Accounts for Passenger Service Fee-Security Component [PSF- (SC)] as the same are maintained separately in the fiduciary capacity by GHIAL on behalf of the Government of India and are governed by Standard Operating Procedure vide letter number AV/13024/047/2003-SS/AD dated January 19, 2009 issued by the Ministry of Civil Aviation, Government of India.

49. As detailed in note 38, to the Consolidated Financial Statements, certain incomes/credits are not considered by GHIAL for computation of concession fee payable to MoCA basis a legal opinion obtained. Accordingly, the following sources of income have not been considered for accrual of the concession fee:

Description	Incomes forming part of	For the year ended March 31, 2020	For the year ended March 31, 2019
Discounting on fair valuation of deposit received from concessionaries	Income from operations	6.48	4.53
Income recognised on advance from customers under Ind AS 115	Income from operations	1.10	1.10
Income recognised under Ind AS 116	Income from Services	2.09	-
Discounting of Interest free loan given to subsidiaries*	Finance income	-	3.22
Income arising from fair valuation of financial guarantee	Finance income	0.82	2.55
Discounting on fair valuation of deposit paid to vendors	Finance Income	0.23	0.31
Income from government grant	Other income	5.28	5.26
Amortisation of deferred income	Other income	0.52	14.08

*These transactions got eliminated in the Consolidated Financial Statements of the Group.

50. Pursuant to notification G.S.R.574(E) dated August 16, 2019 issued by the Ministry of Corporate Affairs, GACAEL being a listed entity is not required to create Debenture Redemption Reserve.

51. In case of GACAEL, the Bureau of Civil Aviation (BCAS), through its order dated April 28, 2010, decided that there shall be a Sterile Cargo Holding Area at the Airports. The access to cargo processing area will be regulated by airport entry permits issued by BCAS. Accordingly, Central Investigative Security Force (CISF) personnel were deployed as per the instructions of BCAS and the security charges includes accrual of security cost of CISF personnel amounting to Rs. 0.36 crore (March 31, 2019: Rs. 1.49 crore). With effect from July 1, 2019 vide AIC No. 15/2019 dated June 19, 2019, the collection of Passenger Service Fee (Security Component) is replaced with Aviation Security Fee (ASF). ASF will be collected and remitted by airlines to the National Aviation Security Fee Trust (NASFT). All expenses relating to CISF will be met through NASFT directly. Accordingly, the Group has discontinued recognition of salary provision of CISF

K.S. RAO & CO. Chartered Accountants BENGALURU

GMR HYDERABAD INTERNATIONAL AIRPORT LTD. HYDERABAD

personnel deputed at cargo terminal from July 1, 2019. The Management is confident that there would be no additional liability other than the amount accrued in the books of account.

52. The Group has undertaken necessary steps to comply with the transfer pricing regulations. The Management is of the opinion that the international and domestic transactions are at arm's length and believes that the aforesaid legislation will not have any impact on the Consolidated Financial Statements.

53. GMR Air Cargo and Aerospace Engineering Limited

a) The Hon'ble National Company Law Tribunal, Hyderabad Bench vide its order dated July 26, 2019, has approved the Composite Scheme of Arrangement (the "Scheme") with Appointed Date of April 1, 2018, for merger of the Company's wholly-owned subsidiary GMR Hyderabad Air Cargo And Logistics Private Limited ("GHACL") into another wholly owned subsidiary GMR Aerospace Engineering Limited ("GAEL") and demerger of the MRO (Maintenance, Repair and Overhauling) division of GMR Aero Technic Limited ("GATL"), subsidiary of GAEL into GAEL with effective date of August 23, 2019. The name of the Combined Entity has been subsequently changed to GMR Air Cargo and Aerospace Engineering Limited ("GACAEL"), which will provide MRO and Cargo Handling services at the Rajiv Gandhi International Airport at Hyderabad. In consideration of merger order, GACAEL has allotted its equity shares to the Holding Company on October 4, 2019, in accordance with the share exchange ratio mentioned in the Scheme.

b) The Management has assessed impairment of the carrying value of the MRO division at Cash Generating Unit ("MRO CGU") level, which has past accumulated losses as at March 31, 2020. The Management has undertaken several initiatives to improve its income from operations and establish profitable operations, which resulted in operating profits during the last 2 years.

Pursuant to the agreement entered by the GMR Group dated February 20, 2020, the GMR Group has executed a definitive agreement with Aeroports De Paris ("ADP") for acquisition of 49% stake by ADP in GMR Airports Limited (the holding company of GMR Hyderabad International Airport Limited, which is the holding company of the GACAEL) ("GAL") on fully diluted basis. In accordance with which the consideration has been received by the GMR Group.

The MRO CGU is part of the Airports business. To assess whether the MRO CGU is impaired, the Management of the Group has reckoned the values attributed to MRO CGU which are higher than its carrying value, on the basis of an independent valuation of the Airport business carried out as part of entering the aforesaid agreement.

The Management has also assessed impairment of the carrying value of the MRO CGU consequent to the outbreak of the COVID19 pandemic. The Management has reviewed its business plans and the projections considering the COVID19 impact, and such future business plan, projections were approved by the Board of Directors of GACAEL. In view of the recent deal with ADP, key assumptions used by the management in impairment testing is cost of equity @ 16.5%.

The Management has also performed sensitivity analysis considering different scenarios to build in the uncertainties attached. Based on such valuation assessment done by the Management and approved by the Board of Directors, and other management initiatives as mentioned above, the Management is of the view that there is no impairment required in the carrying value of MRO CGU, including Goodwill of Rs.36.27 allocated to the MRO division as at March 31, 2020 in these Consolidated Financial Statements.







54. Reimbursement of expenses claimed by GHIAL have been reduced from the respective expense head as mentioned in the table below:

Expense head	For the year ended March 31, 2020	For the year ended March 31, 2019
Electricity and water charges	27.68	23.41
Salaries, wages and bonus	2.64	0.34
Staff welfare expenses	3.10	0.65
Insurance	0.03	-
Rates and taxes	0.04	-
Rent	0.48	-
Miscellaneous expenses	0.38	0.92
Travelling and conveyance	1.30	0.26
Repairs and maintenance	3.45	0.66
Office Maintenance	0.19	0.74

55. The disclosure on nature of revenue from contracts as required under Ind AS 115 is part of note 22. Further, the additional disclosure on trade receivable and contract assets, contract liabilities are as below:

Contract balances

Particulars	March 31, 2020		March 31, 2019	
	Non-Current	Current	Non-Current	Current
Trade receivables	-	178.77	-	180.55
Contract assets**	-	18.85	-	10.48
Contract liabilities***	41.92	17.91	41.31	7.24

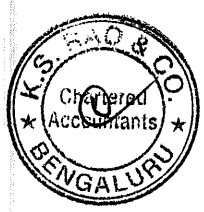
** Contract asset includes unbilled revenue.
*** Contract liabilities includes unearned revenue received from customers (Current and Non-current)

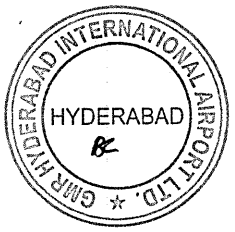
Details of provision movement for trade receivable are as below:

Particulars	March 31, 2020	March 31, 2019
Opening balance	1.38	0.77
Add: Provision made during the year	1.27	1.05
Less: Bad Debts written off	(1.62)	(0.44)
Closing balance	**1.03**	**1.38**

56. Based on the ongoing discussions with Yes Bank Limited ("YBL") regarding the sanctioned undrawn facility of Rs. 4,200, GHIAL and YBL has mutually agreed to terminate the undrawn facility subject to refund of upfront fee of Rs. 63.00 paid to YBL. In the accompanying consolidated financial statements, the upfront fee of Rs. 63.00, is considered as recoverable pursuant to the in-principle approval for refund received from YBL vide letter dated June 09, 2020 and the legal opinion obtained from an independent lawyer regarding the Company's right to receive the amount. Further, the syndication fee of Rs. 31.50 paid in relation the aforementioned facility is fully charged-off to the statement of profit and loss.

57. During the year ended March 31, 2020, the Group relying on the judgement passed by the Hon'ble Orissa High Court in the case of Safari Retreats Private Limited vs Chief Commissioner of Central Goods and Service tax, has recognized input tax credit on civil and related work aggregating to Rs. 256.68 (including Rs.92.80 pertaining to earlier year).





58. Disclosure as per the Schedule III of the Companies Act, 2013:

A) Net Assets, i.e. total assets minus total liabilities as at:

	Name of the Entity	March 31, 2020		March 31, 2019	
		As % of consolidated net assets	Amount	As % of consolidated net assets	As % of consolidated net assets
1	GHIAL	91.04%	2,321.14	83.68%	1,665.83
2	GACAEL	(0.14%)	(3.56)	5.30%	105.54
3	HASSL	-	-	0.66%	13.22
4	GHAL	3.04%	77.45	2.36%	46.94
5	GHASL	1.86%	47.33	2.60%	51.69
6	APFTAL	-	-	-	-
7	GAEL including GATL	0.02%	0.43	4.66%	88.84
8	GHAPDL	-	-	0.00%	0.02
9	GLPPL	2.29%	58.44	0.00%	(0.05)
10	GHRL	1.14%	29.08	1.06 %	21.10
	Jointly controlled entities (as per Equity method)				
1	Laqshya	0.76%	19.25	(0.03)%	(0.64)
		100%	**2,549.56**	**100%**	**1,992.49**
	Less: Consolidated adjustments/elimination*		**(685.21)**		**(807.34)**
	Grand Total		**1864.35**		**1,185.15**

*Consolidated adjustments/eliminations include intercompany eliminations and consolidated adjustments.

B) Share of profit and loss for the financial year:

	Name of the entity	For the year ended March 31, 2020		For the year ended March 31, 2019	
		As % of consolidated profit or loss	As % of consolidated profit or loss	As % of consolidated profit or loss	Amount
1	GHIAL	97.32%	768.88	98.53%	749.05
2	GACAEL	2.03%	16.00	1.13%	8.58
3	HASSL	-	-	0.00%	0.01
4	APFTAL	-	-	0.28%	2.12
5	GHAL	(0.31)%	(2.48)	(0.51)%	(3.89)
6	GHASL	(0.55)%	(4.36)	(0.49)%	(3.74)
7	GACAEL (Formerly GAEL) including GATL	0.01%	0.06	(0.78)%	(5.94)
8	GHAPDL	-	-	0.00%	0.00
9	GLPPL	(0.07)%	(0.55)	(0.01)%	(0.06)
10	GHRL	1.01%	7.98	0.52%	4.83
	Jointly controlled entities (as per Equity method)				
1	Laqshya	0.57%	4.52	0.49%	3.72
	Non-controlling interest in subsidiary				
1	GACAEL	-	-	0.84%	6.39
	Sub total		**790.05**		**760.20**
	Less: Consolidated adjustments/elimination*		2.74		(20.26)
	Grand Total		**792.79**		**739.94**

K.S. RAO & CO. Chartered Accountants BENGALURU

GMR HYDERABAD INTERNATIONAL AIRPORT LTD. HYDERABAD

59. Interest in Joint Venture

The Group has a 49% interest in Laqshya Hyderabad Airport Media Private Limited (LHAMPL), a joint venture engaged in offering Out of Home (OOH) / Outdoor Media Services for display of advertisement at the airport. The Group's interest in LHAMPL is accounted for using the equity method in the Consolidated Financial Statements. Summarised financial information of the joint venture, based on its financial statements, and reconciliation with the carrying amount of the investment in Consolidated Financial Statements are set out below:

Summarised Balance Sheet:

	March 31, 2020	March 31, 2019
Current assets, including cash and cash equivalents Rs. 0.15 crore (March 2019: Rs.0.05 crore)	32.18	27.47
Non-current assets	19.17	21.40
Current liabilities	(3.20)	(4.86)
Non-current liabilities including borrowing Rs. 0.01 crore (March 2019: Rs.4.17 crore)	(1.77)	(6.85)
Equity	**46.36**	**37.16**
Less: Equity component of borrowings availed at below market rate	(18.48)	(18.45)
Adjusted equity	**27.88**	**18.71**
Proportion of the Group's ownership	49%	49%
Group's share in adjusted equity	**13.66**	**9.16**
Add: GHIAL's share of equity components of borrowings	5.59	5.59
Carrying amount of the investment	**19.25**	**14.75**

Summarized Statement of Profit and Loss account:

	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue from operations	62.39	58.14
Other income	0.27	0.14
Total Income	**62.66**	**58.28**
Employee benefit expenses	4.29	3.40
Depreciation	1.88	1.84
Finance cost	1.32	2.41
Other expenses	39.09	40.13
Total expenses	**50.42**	**47.78**
Profit before tax	**12.24**	**10.50**
Tax expenses	3.05	2.84
Profit after tax	**9.19**	**7.66**
Other comprehensive income	0.03	(0.05)
Total comprehensive income	**9.22**	**7.61**
Group's share of profit for the year	4.52	3.73

Group's share of contingent liabilities of the jointly controlled entity is Rs. 0.09 (March 2019: Rs. 0.40).

K.S. RAO & CO. Chartered Accountants BENGALURU

GMR HYDERABAD INTERNATIONAL AIRPORT LTD. HYDERABAD

60. Utilisation of money raised through issue of Senior Secured Notes (SSN):

During current year, Company raised USD 300 million (INR 2,067.15) through issue of 5.375% Senior Secured Notes (SSN) from overseas market for capital expenditures with respect to Airport activities as part of the expansion.

The coupon rate is fixed through the tenor and payable semi-annually. The Notes are repayable after 5 years i.e. April 10, 2024.

	For the year ended March 31, 2020	For the year ended March 31, 2019*
Unutilised amount at the beginning of the year	-	407.33
Amount raised during the year	2,067.15	-
Less: Utilized for capital project works	(1,413.67)	(422.37)
Add: Income on temporary cash investment	95.75	15.04
Unutilised amount at the end of the year	**749.23**	-

* Represents the unutilized amount out of USD 350 million raised through 4.25% of Senior Secured Notes (SSN) raised during FY 2017-18 and utilized in FY 2018-19 for capital expenditure of Airport activities.

Details of temporary cash investment made from unutilized portion of Senior Secured Notes raised during the year ended as at March 31, 2020:

	March 31, 2020	March 31, 2019
Funds parked in:		
- Current accounts	43.02	-
- Fixed deposits*	706.21	-
Total	**749.23**	-

* including accrued interest of Rs. 11.21 (March 31, 2019: Nil)

61. Events after reporting date:

GHAL has entered into a joint venture arrangement with ESR Hyderabad 1 Pte. Limited (ESR), a subsidiary of the Hong Kong headquartered ESR Cayman Limited, to develop 66-acre logistics and industrial park at the Hyderabad Airport in the SPV viz., GMR Logistics Park Private Limited ('GLPPL'). ESR and GHAL for the said transaction have entered into definitive agreements with an equity interest of 70% and 30% respectively in GLPPL.

However, pending completion of the legal formalities which were consummated subsequent to the balance sheet date in April 2020, the arrangement has been classified as investment in subsidiary held for sale.

Details of assets and liabilities are as under:

Particulars	Amount
Cash and cash equivalent*	58.44
Other current assets	0.01
Assets classified as held for sale	**58.45**
Other financial liabilities*	41.33
Trade payables	0.01
Other current liabilities	0.01
Liabilities directly associated with assets classified as held for sale	**41.35**

*Other financial liabilities represent share application money pending allotment of Rs. 41.33 (after elimination) received from ESR and cash and cash equivalent of Rs. 58.44 represent the total share application money received.

K.S. RAO & CO. Chartered Accountants BENGALURU

62. Corresponding previous year figures have been reclassified / regrouped wherever necessary.

As per our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
ICAI Firm Registration
Number: 001076N/N500013

Sanjay Kumar Jain
Partner
Membership No.: 207660

Place: Hyderabad
Date: July 22, 2020

For K S Rao & Co.,
Chartered Accountants
ICAI Firm Registration
Number: 003109S

Hitesh Kumar P
Partner
Membership No.:233734

Place: Bengaluru
Date: July 22, 2020

For and on behalf of the Board of Directors of
GMR Hyderabad International Airport Limited

GBS Raju
Managing Director
DIN.: 00061686

H.J Dora
Director
DIN.: 02385290

Pradeep Panicker
Chief Executive Officer

Anand Kumar P
Chief Financial Officer

Anup Kumar Samal
Company Secretary

Place: Hyderabad
Date: July 22, 2020